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Russia-Belarus-Ukraine Economic Union Viewed

Shokhin Comments on Accord

LD1307201993 Moscow Radio Rossii Network in Russian 1420 GMT 13 Jul 93

[Text] We will begin with a report on the news conference held in Moscow by Vice Premier Aleksandr Shokhin. The subject of the conference was the economic agreement signed by Ukraine, Belarus, and Russia. What is at issue is a single customs space and the introduction of monetary policy. What is Russia to get out of it? Will this agreement give another boost to the inflation rate and increase the export of raw materials from Russia, and finally will it recreate another enormous controlling administration. There are many questions. Here is a report from the news conference by Vladimir Poznanskiy, a special correspondent of Radio Rossii:

[Poznyanskiy] The initial idea was that Belarus, Russia, and Kazakhstan would be parties to the agreement. But in the process of the preparation of the meeting, Kazakhstan entered the Turkish- Central Asian bloc. Its place was taken by Ukraine. This situation and that which preceded the summit was explained by Aleksandr Nikolayevich Shokhin at the beginning of a brief news conference. He also commented on some aspects of the agreement.

At the end of the news conference I asked him two questions. Here are his answers to my questions.

[Begin recording] [Shokhin] A joint statement was signed on urgent measures for deepening economic integration. The history of the document is this. Back in the spring, in March or thereabouts, the talks began at the initiative of Belarus Prime Minister Vyacheslav Kebich. They were first bilateral and then trilateral, with the leaders of Kazakhstan taking part, on a possible deeper economic agreement within the framework of the CIS. These consultations were rather confidential, and the idea was that instead of trying to agree with all the states on the provisions of various documents, and immediately setting them in motion, we should try to show in reality how cooperation should be built. The states which are sincerely interested in deepening integration and economic cooperation could do this best, since these are the states which have a vested interest in the gradual removal of tariff and non- tariff restrictions in trade and economic cooperation, in the creation of a customs union and a single customs territory, and the creation of conditions for forming a general market of capital, commodities, services and work force. The right of citizens to freely own property on the territory of the other member-states of the community, to move around, live and work in the territory of any of the three states was registered. At the same time the governments stated their position that they would relentlessly defend the rights of their compatriots residing beyond the territory of any of the three states. In addition, it was understood that closer economic integration requires new approaches to many spheres of economic life, in particular, that necessary coordinating bodies must be asked to carry out appropriate management functions. We also agreed that these bodies would adopt internationally practiced mechanisms, that is, mechanisms practiced by the existing international organizations. Importantly, what was also registered is that economic integration cannot be implemented in an isolated way, without broader cooperation in other spheres. In particular, what is at issue is cooperation in the political, defense, and legislative spheres.

There have recently been very many Russian-Ukrainian summits. Three prime ministerial meetings were held in the last three weeks. In the process of these talks, and in the process of real shifts in the economic situation both in Russia and in Ukraine, it has become evident that political obstacles still exist, and are constantly reemerging. Suffice it to recall the decision on the status of Sevastopol by the Russian Supreme Soviet which enraged the Ukrainian political community. For all this, the realization that neither Ukraine nor Russia can do without a close economic union, a mutually beneficial one, has come about in the last four weeks.

I do not think, therefore, that this is an incidental change of partners. In fact I would not describe it as an incidental replacement of partners. After all, even if Kazakhstan does not join economic cooperation with Russia it must take active part in it.

[Poznyanskiy] Russia is striving to strengthen the ruble. Do not you think that its rate might fall because of a single monetary space? It is no secret that, for instance, the Ukrainian coupons are eking out a miserable existence.

[Shokhin] I must say that a closer economic union is possible only if there are national currencies. The document which I have tabled for you does not contain any provision on a single ruble zone. What there is, if you look, is the concept of rigidly coordinated monetary, financial, credit, and currency issue policies. This is a key provision. If it turns out that the National Bank of Ukraine is not ready to use rubles, we do not insist on using rubles. Moreover, the Russian Government spoke some time ago about the need for all states to introduce national currencies, with a view to creating the same regime of relations between the ruble and these currencies as the ruble has with usual currencies. It will be easier for our central bank to regulate things. But if the ruble is used in Belarus—it is unlikely that Ukraine will want to use it—then Belarus will be subject to some tough obligations, if you want, including yielding some of its sovereign practices to the central bank of Russia in the field of issue of credits and cash. Such decisions are as a rule political.

Why does this joint statement contain several appeals to the parliaments? It is impossible to create economic union, first, without regulation by laws, and second, without handing over part of sovereign rights. In particular, the customs union envisages that there are no customs bodies. There is a supranational body. We

would like our partners who have signed this statement to realize this. The system of export and import duties and that of regulation of foreign economic activities must be unified. There must be one customs body regulating these relations. This would not stop us having customs posts even on internal borders to control the flow of goods. But there must be one policy.

[Poznyanskiy] How will you control the export of raw material from Russia? Is there any danger of re-export increasing [words indistinct unwieldy regulating structures such as Gosplan and Gossnab.

[Shokhin] As to regulation of re-export, we have agreements with all the CIS states agreements on free trade which contain very tough requirements for regulating this issue. Re-export is permitted only with the written consent of the Russian side. In the process of creating the economic union, instead of this written permission of the Russian side, we will have a regulating mechanism at the level of the supranational body. In this way we must replace one regulation mechanism with another. In this respect very much depends on how the customs office will work with the commercial banks. In particular, from September onward we will be introducing a system of currency regulation based on a single system of the documentation of information provided by customs bodies, commercial banks, and the central bank. In effect, control of the export of strategic resources will be set up by us from this autumn. Then we will gradually set up control of the export of other resources, and then at the third stage import controls. The same mechanisms must work in the framework of the customs union. I do not exclude that the criterion of the economic weight of a state will be applied in adopting decisions to regulate some economic bodies of the union. Then we will be able to prevent the leakage of strategic resources or capital etc. [end recording]

Kuchma Claims Union Necessary

LD1307112093 Kiev Ukrayinske Radio First Program Network in Ukrainian 0900 GMT 13 Jul 93

[Text] Prime Minister Leonid Kuchma arrived in Kirovograd today. He stated the purpose of his visit in an interview to journalists at the local airport. He is interested in the course of harvesting in this oblast whose grain producers have grown a good grain harvest and are planning to sell over one million tonnes to the state this year. I would also like to see, Leonid Kuchma said, the agricultural machinebuilding works of the Krasnaya Zvezda production association. Journalists asked the prime minister what Ukraine stands to gain from the declaration on forming an economic union between Ukraine, Russia, and Belarus, signed by the three prime ministers, and whether it would not lead to the loss of Ukraine's state sovereignty. In response, Leonid Kuchma said that the signing of this agreement first of all makes one confident that today the economic union is necessary.

Kebich Interviewed on Union

PM1307145593 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Jul 93 pp 1,2

[Interview with Belarus Prime Minister Vyacheslav Kebich by Olga Yegorova and Yadviga Yuferova from Minsk; date not given: "Vyacheslav Kebich: We Must Return to Viskuli"]

[Text] Minsk—This conversation with Vyacheslav Frantsevich Kebich, prime minister of the Republic of Belarus, took place in Minsk on Friday [9 July], the national holiday, when people made speeches and toasts proclaiming amid tears and vows the restoration of independence.

Kebich asked for the dictophone to be switched off. He read out the draft document, which at the time was known to only seven people in the republic and your two KOMSOMOLSKAYA PRAVDA correspondents.

[Kebich] Yesterday evening we, that is Chernomyrdin, Kuchma, and I, agreed that we will meet in the Moscow region on Saturday to sign this unique document. (The meeting has taken place and the readers know its results—editor's note).

[KOMSOMOLSKAYA PRAVDA] Was it the three former plant directors [Chernomyrdin, Kuchma, and Kebich], the three industrialists who reached agreement first rather than the politicians?

[Kebich] The situation was intolerable. Economic ties had come apart. The CIS had come apart. We realized that we were hurtling toward the abyss.

[KOMSOMOLSKAYA PRAVDA] Have the presidents been kept informed?

[Kebich] Yeltsin said yes long ago. Kravchuk has only just supported Kuchma.

[KOMSOMOLSKAYA PRAVDA] And Shushkevich?

[Kebich] He does not know. Under the constitutional situation existing in our country, the chairman of the government does not report directly to the chairman of the parliament.

What is the implication of our economic union? The first thing here is this: the preservation of the single economic area so that production can develop more efficiently and goods, services, and capital can circulate more freely in the sphere of foreign trade, production, investments and in monetary-credit, financial, and currency relations. The basis is the equivalence of economic systems, the harmonization of national economic legislation.

The governments finally agreed to resolve tariff and nontariff problems, which to a large extent means reducing commodity prices. They agreed on the creation of a customs union and a common customs territory.

Citizens will be given the opportunity to freely own property, to move, and to live and work in the territories of our three states.

But economic integration cannot be isolated from the defense, legislative, and political spheres. That is why we asked parliamentarians to pool their efforts. After all, the draft treaty will be ready by 1 September.

[KOMSOMOLSKAYA PRAVDA] Did the personal factor play a part here, Vyacheslav Frantsevich? You are all three directors, all three major managers—was that important? And generally speaking, what is the role of the individual in interstate relations?

[Kebich] Surely a good half of the success here is due to personal relations. When I have talks with Chernomyrdin, I do not need any "introductory words." We talked for about an hour about the economic union and decided that even if Ukraine does not join us we will still have to conclude a bilateral agreement. There is no alternative.

[KOMSOMOLSKAYA PRAVDA] Tell us, Vyacheslav Frantsevich, does Nazarbayev have any inkling about your meeting? Did you overlook the Kazakh factor in this three-way meeting?

[Kebich] The point is that the majority of journalists and politicians somehow overlooked or paid no special attention to the Turkish meeting in which CIS states participated. Nazarbayev was in Istanbul. In my view, therefore, he does not know about this. But our agreement is within the CIS framework, so the treaty is an open one.

[KOMSOMOLSKAYA PRAVDA] One of us drove from Moscow. Along the highway, customs officials were taunting people over some canister of gasoline....

[Kebich] I recently went to my electoral district, in Ivanovskiy Rayon in Brest Oblast, and I visited the border. On our side, there is nothing but a militia post. People had gone to "the other side," into Ukraine. All that I could find in the village store was peas (not even bread!). A crowd gathered around us. What didn't they say to us! Some cursed. Others implored: "Good people, what have you at the top done...?"

I stood there, and I thought: Indeed, the European states that were once so divided have now become integrated. But what have we done? You cannot send a parcel from Minsk to Kiev anymore. This is crazy....

Independent states—this is not the same as economic independence. There cannot be independent economies.

[KOMSOMOLSKAYA PRAVDA] But what does that make of your tripartite statement, against the background, for example, of the world congress of Belarusians that is taking place in Minsk? And when you hear wherever you go in Belarus that neutrality, sovereignty, and independence are at stake?

[Kebich] I am a practical man. I am a pragmatist. I am responsible for the economy. All these discussions in parliament do not affect me. It is the way I am that even in such extreme conditions I try to give the people a little to live on.

The government, unfortunately, cannot rely on the minority in parliament—otherwise that government will be ousted. We rely on the majority, on the realities. And, thank God, the reality of the economic union has won the support of the deputies.

[KOMSOMOLSKAYA PRAVDA] But there is also the parliamentary minority, the opposition, to contend with. As we understand it, the economic union presupposes an agreement within the system of collective security and the dispute over that has rocked peaceful Belarus. Shushkevich, incidentally, spoke out sharply against you and your opinion.

[Kebich] Politicians swap concepts. The system of collective security is replaced by the term "military-political union." This is a question of consultation in the sphere of military policy and a general system for the control of the airspace. Moscow, after all, is now open to any stray missile. It is not a big secret anymore, but the first line of ABM defense used to be in the Baranovichi region. Next, there is cooperation in the sphere of military intelligence and the training of military cadres. In Belarus, for example, there are just two military schools, one of which used to be military-political.... But Russia today is also incapable of producing even a single plane, missile, or tank unaided. All the optical guidance systems are produced in Belarus alone—such a concentration.

[KOMSOMOLSKAYA PRAVDA] It seems that Belarus has now been bitten by the bug that Russia has recovered from, namely the vogue of conversion and the reduction of the army. But we know that little Belarus has almost the highest "density" of military people in the world today. Apparently there is one soldier per 100 inhabitants....

[Kebich] It is more than one per 100, even though we have been working on reducing the army for a long time. The army will be reduced to 95,000 people. It is at 150,000 right now, but we began the reduction from 240,000. Our first concern now must be for the Belarusian officers who are desperate to return home from the trouble spots.

[KOMSOMOLSKAYA PRAVDA] If there is an economic union, I wonder what direction the development of Belarus will take—will it choose the path of the Russian reforms or will it opt for Poland's "shock" therapy?

[Kebich] Neither, it will use its own Belarusian option. In Paris, the G-7 listened to Belarus and came to the conclusion that they can do business with us by sending us investments and giving us credits. There was another successful economic forum—at Crans Montana in Switzerland—where they also showed interest in the

republic. We are making steady progress.... Experts from the IMF worked with us for a year, and there have been positive results there, too.

Our path is the privatization of the services sphere, small-scale industry, the flotation of major industrial structures, but 25 percent of the shares must remain with the state. That is not my idea; it is the European experience.

[KOMSOMOLSKAYA PRAVDA] But for the moment, Vyacheslav Frantsevich, the republic is like an overstocked depot...

[Kebich] Russia says to us: We sell you oil and gas at our own prices, that is correct. But on the border, prices leap fourfold because of customs duties. But Belarus has finished output, the prices for which have rocketed above world prices because of the high cost of raw materials. Well, who needs them? This is why there are surplus stocks of goods. Take the example of the BelAZ truck. It was built exclusively for Russia and Kazakhstan. But the price of a BelAZ is now so high that there isn't a single mining enterprise that can afford them. China and South Africa have inquired about BelAZ trucks, but where is Russia going to get such vehicles from?

The new economic union is easing the strain here.

[KOMSOMOLSKAYA PRAVDA] What will happen to the single ruble zone?

[Kebich] Perhaps each state will have its own currency. The treaty leaves people's hands free here.

[KOMSOMOLSKAYA PRAVDA] We would like to know this: When you went to Viskuli, did you imagine the level of impoverishment that people might sink to?

[Kebich] Do you want to know what I think? There was a certain euphoria there. No one could see what we were heading toward. It was just a question of removing Gorbachev. Although there at Viskuli, everything was clearly written down on paper. But those documents did not work. Now we are forced in many respects to go back to Viskuli.

[KOMSOMOLSKAYA PRAVDA] Vyacheslav Frantsevich, at least in the past everyone traveling on business knew that they had four bottles of "Belovezhskaya" in their attache case. This was called the "liquid guide" to Moscow....

[Kebich] It was easier for me. I had assistants behind me carrying suitcases.

[KOMSOMOLSKAYA PRAVDA] What is the "guide" to Moscow now?

[Kebich] What is there left that can be decided in Moscow now...? Contacts at government level remain limited to a narrow range, but when I go to see Chernomyrdin, should I really take him salami? Relations have been cleaned up. Though it is true that...recently our Belarusian "Kristall" plant produced a top-class jubilee vodka using kremenevaya [meaning unknown, possibly place name] water. I took him some, of course, and gave it to him—Try it, Viktor, I said. So we tried it together.

[KOMSOMOLSKAYA PRAVDA] Incidentally, in Russia they are introducing a state monopoly on alcoholic drinks now....

[Kebich] We have had one for a long time.

[KOMSOMOLSKAYA PRAVDA] Russia has oil. Ukraine has sugar. What does Belarus have?

(Kebich] Finished output. Meat. Milk. And, finally, our geopolitical position. I think that very soon we will return to the idea of recreating the CEMA in a new form. I spoke about that with Polish President L. Walesa during his recent visit to Belarus. And although no new documents were signed, we agreed on the main thing: No one is waiting for us in the West. The markets were carved up a long time ago, and the Eastern neighbors would do well to unite and take into account each other's experience and mistakes.

[KOMSOMOLSKAYA PRAVDA] Have there been many mistakes?

[Kebich] Well, I am also a former plant director. I once I planted some winter gardens and opened beer stalls right outside the entrance. This didn't stop anyone working; it simply helped. Because it was done in a people-oriented way....

Economic Agreement Viewed

PM1307122193 Moscow IZVESTIYA in Russian 13 Jul 93 First Edition pp 1-2

[Article by Irina Demchenko: "Heads of Governments of Russia, Ukraine, and Belarus Have Agreed Once Again on Integration"]

[Text] Last Saturday the heads of government of Russia, Ukraine, and Belarus signed a joint statement on urgent measures aimed at closer economic integration. Essentially, this document again confirms for at least the fourth time recently the urgent need and firm intention to create an economic union on the ruins of the former political empire. Of special interest is the fact that this time the heads of government met to sign a declaration in the absence of the heads of state.

The ubiquitous INTERFAX reported that the document was prepared initially as an agreement between Russia and Belarus. Ukrainian Premier Leonid Kuchma was informed of it only on Thursday [8 July] and, having familiarized himself with the text, made one amendment, after which he voiced the desire to sign it. The trilateral meeting of the government delegations near Moscow on Saturday became known officially only on Friday after the end of the working day.

The statement by the heads of the three governments says: "The interests of the states dictate the need to retain a single economic area in which production would develop effectively under the conditions of market relations; goods, services, and capital would move about freely; and efforts would be pooled for the implementation of joint economic projects. Expressing the firm intention of participating in the development and implementation of the treaty on the creation of an economic union within the framework of the CIS, the governments expect that the measures for a closer trilateral integration of their economies will aid the speeding up of the implementation of the goals and principles of this treaty."

Of itself, the text of the statement contains the declarations and appeals to the republics' parliaments tradition for documents of this type. The deputy chairmen of the councils of ministers of the three states—V. Zalamay from Belarus, A. Shokhin from the Russian Federation, and V. Landyk from Ukraine—have been instructed to organize practical work on the preparation by 1 September this year of a draft treaty on deepening economic integration between the three republics, implementing the provisions of the statement made near Moscow.

It has become known from sources close to the government that the entire meeting lasted no more than two-and-a-half hours and that on several occasions during this meeting the heads of government conferred separately, behind closed doors. The initial text of the statement was corrected three times on a "notebook"-type computer, which was operated by a staffer in the Russian Government apparatus.

It is very important that the statement was signed by the heads of the three governments at the moment of the latest crisis in Russian-Ukrainian relations caused by the Russian parliament's decision regarding the status of the city of Sevastopol. VOA and BBC correspondents even concluded on this basis that the heads of government had especially signed the joint statement as an antidote to the latest aggravation of relations. Of course, that is not so. On the other hand, the statement might not have been signed if it had not been the more politically neutral heads of government who met Saturday for this purpose but the heads of state, who would be obliged to react unambiguously and sharply to events like the Russian parliament's decision—which they did at the places they happened to be on Friday and Saturday.

Despite the fact that the text of the governments' statement contains the already traditional invitation to the other CIS states to accede to it, the joint statement by the three Slav republics without preliminary discussion with the others has yet again given rise to suspicion, since this has already cost everyone very dearly on one occasion. Now Russian Premier Viktor Chernomyrdin had to explain that the Slav republics do not plan to create their own faction or anything similar within the framework of the CIS, while Vice Premier Aleksandr Shokhin had to state that the customs union will be open to all countries as long as they are not members of any other unions or associations. But, as the BBC correspondent notes, the Russian officials do not deny that the "Slav alliance" is geared in particular toward making it clear to the Central Asian republics and Kazakhstan what they should choose and how they should proceed ("EFIR-DAYDZHEST"). Let me recall that over the past week, the Central Asian republics have taken specific steps to conclude an economic union with Pakistan and Turkey.

It is curious that the economic union whose practical expedience is obvious to all is utterly unable to acquire a finished shape. The heads of all branches of power, right down to regional level, meeting separately and collectively, on each occasion make "stopovers" in it, and on each occasion the landing is put off and the aircraft again returns empty. This is all the more incomprehensible in that the package of constructive agreements that make the economic union a union has long been clear and their specific content has been discussed and more or less agreed upon: a banking union, a reserve system, a customs union, questions of defense and security, establishments that are jointly operated, and so forth. On the other hand, if we continue the analogy with an aircraft, it is better to land once more than necessary than to miss the runway once. Our previous experience has shown that if you do that then you have to wait for years.

Hastens Central Asian 'Isolation'

MK1307114093 Moscow KOMMERSANT-DAILY in Russian 13 Jul 93 pp 1, 3

[Artur Vardanyan report: "Triple Economic Alliance: A Tract of Belovezhskaya Forest Appears in a Forest Near Moscow"]

[Excerpts] The most notable thing about the meeting near Moscow [of heads Belarus, Russia, and Ukraine heads of government in Gorki near Moscow on 10 July] was the absence of representatives of Kazakhstan. According to unofficial information from Russian and Kazakhstani government circles, the reason was economic differences between the two states. The stumbling block in relations between the republics is property rights in the Baykonur space complex. The crisis of credit and financial relations has also worsened. It consists in the clashing positions of Russia and Kazakhstan on debt repayment questions. The essence of the differences is that Russia is demanding that Kazakhstan should return the credits granted in 1992 and 1993.

The agreed 1992 debt amounts to 240 billion rubles. As for 1993 debt, which is nearly the same size, Kazakhstan refuses to pay it, proposing a mutual offsetting of debts instead. [passage omitted]

One way or another, the statement "on urgent measures to deepen economic integration" is a statement of the three countries. This document has gone through a curious transformation in comparison with the Declaration of CIS Heads of State on an Economic Union adopted in Moscow on 14 May. Whereas in May the

"main thing" consisted in ensuring "mutual interests of the Commonwealth member states," two months later the governments of the three republics have come to "believe that measures to ensure a closer trilateral integration of their economies will promote a faster implementation of the goals and principles of the treaty on the establishment of an economic union." The return to the idea of a three-component nucleus of an economic union formed by a different set of republics may be assessed in various ways. The good thing about it is Ukraine's changed stance. This gain, however, is more of a tactical nature given the fact that relations between Moscow and Kiev are hard to predict. Clearly, the bad thing about it is that it is once again (like in Belovezhskaya Forest) damaging to the integration interests of the Asian republics, primarily those of Kazakhstan. This loss may very well prove to be strategic, and an economic union would become—even before having been born—a bargaining chip between a union of Slavic republics and a union of Central Asia whose isolation is being hastened by the statement of the three.

Central Asia To Decide Where To Join

LD1307134693 Moscow ITAR-TASS in English 1314 GMT 13 Jul 93

[By ITAR-TASS correspondent Igor Galkin]

[Text] Moscow July 13 TASS—Russia urged former Soviet central Asian republics to make a definite choice about which bloc of countries they are going to join—that of the Slavic Russia, Ukraine and Belarus or of the Muslim Asian states united in the Organisation of Economic Cooperation.

Deputy Prime Minister Aleksandr Shokhin said at a press conference on Tuesday [13 July] that the central Asian republics have to choose who they want to form a customs union or a common market with.

He recalled that the Organisation of Economic Cooperation which unites Turkey, Iran, Pakistan, Afghanistan, the five former Soviet central Asian republics of Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan and Kazakhstan, as well as Azerbaijan decided at a recent summit meeting in Turkey to create a customs union, a common market of goods, capital, services and manpower, to establish a visa-free regime for tourists, a single bank of trade and development.

Russia, Ukraine and Belarus, in their turn, signed an agreement last Saturday on the creation of an economic union.

In this connection "a different political composition emerged", Shokhin said, adding that if the central states had decided to join their southern neighbours then "it is clear that it is impossible to be members of two customs unions".

He stressed that there is nothing "dramatic" in the declaration of the Organisation of Economic Cooperation, but "conclusions should be made".

Shokin denied allegations that the creation of the union by three Slavic republics was a response to the central Asian decision to integrate into the Organisation of Economic Cooperation.

He explained that the two events coincided in time only. "The creation of the Slavic economic union was dictated by the necessity of economic integration and is not a reaction to news from Turkey", he said, adding however, that the decision of the Asian summit might have influenced Ukraine which decided to join the Russian-Belarusian agreement at the last moment.

ITAR-TASS Carries Press Review for 14 Jul

LD1407065893 Moscow ITAR-TASS in English 0537 GMT 14 Jul 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 14 TASS—Today's newspapers highlight the situation concerning the city of Sevastopol on the Black Sea coast and, in view of the Russian parliament's latest decision on the city's status, relations between Russia and Ukraine.

The Russian parliament's resolution "On the Status of the City of Sevastopol" has seriously "aggravated the socio-political situation in the city and the in [as received] the Crimea and complicated Russo-Ukrainian relations," points out a ROSSIYSKIYE VESTI correspondent.

KOMSOMOLSKAYA PRAVDA observes that if the opposition manages to turn Sevastopol into a new Karabakh, the conflict would destabilise the situation in Russia still further and would hamstring the forces of the advocates of reforms in the Russian Federation.

"Such aims of the Russian 'patriots' do not look too fantastic because nationalist trends in politics have been quite strong in Ukraine up to now. It is no secret that President Kravchuk took office in many respects due to the fact that he relied on a purely national development of the ex-Soviet Republic," the newspaper points out.

It seems that the presidents of Russia and Ukraine would have to sit down at the negotiating table once again, writes KRASNAYA ZVEZDA. The newspaper's correspondent believes that the Russian parliament's decision, according to which Sevastopol was declared to be part of the Russian Federation within the framework of the administrative-territorial boundaries of municipal district, has again "stirred up a wave of meetings at the main base of the Black Sea Fleet".

A meeting of 5,000 people, organised by the Sevastopol National Salvation Front, decided to hold a popular "veche" (assembly) of cityfolk and to set up a smaller

municipal council "to monitor the enactment of the Russian Federation's legislation in Sevastopol", the newspaper reports.

Such actions by participants in the meetings, prompted by the Russian parliament decision, would hardly add sincerity and goodneighbourliness to Russo-Ukrainian relations, the newspaper's correspondent points out.

ROSSIYSKIYE VESTI carries an article about the draft new constitution with the subtitle "The Constitution as the Russian Statehood Building Plan". According to the writer of the article, President Boris Yeltsin is convinced that radical economic reforms in Russia are impossible without a new constitution because they require political stability which can be ensured only by a new fundamental law in which there will be no contradictions that "drive present-day problems into a blind alley".

About the constitution convention, the newspaper's correspondent points out that it "has conscientiously done its job and propelled the political reform far ahead". "The president referred to a 'vividly manifested potential of political responsibility' as the chief result of the convention proceedings," the correspondent added.

The newspaper also runs the text of the Russian president's statement, dated July 12, this year, in which Boris Yeltsin declared for a further consideration of the draft constitution by the subjects of the Russian Federation.

ROSSIYSKIYE VESTI reports that the Russian prime minister begins his visits to Germany, the first official visit by a Russian premier in a decade.

"It is needless to point out the importance of the event because Germany has been rightfully in the lead in trade and economic relations with our country since the end of the 1980s," the correspondent notes.

"Suffice it to say that Germany accounts for 16.5 per cent of Russia's foreign trade turnover, which amounted to almost 13,000 million U.S. dollars last year". The correspondent believes that particular significance to the visit is added by the fact that it immediately follows the G7 summit and President Yeltsin's meeting with Chancellor Helmut Kohl.

"The Sukhumi Front: The Current Situation Resembles an Unexploded Bomb" is the headline under which KRASNAYA ZVEZDA (RED STAR) frontpages a dispatch about the Georgian-Abkhazian conflict. The correspondents opinion is that the bomb is named "a new Caucasian war".

"Yet another attempt to reach a ceasefire accord in Abkhazia has failed—the negotiators left Moscow with empty hands, failing to achieve any compromises. The war on the Black Sea coast is going on. An influx of volunteers from the North Caucasus continues unabated—the Abkhazians are being supported by kindred peoples," the correspondent observes.

TRUD carries an article analysing the position of Russians in immediate neighbour countries, in Turkmenistan in particular, where the number of Russians continuously grows in recent years.

Ivan Boltovskiy, member of the Central Executive Committee of the Communist Party of the Russian Federation, conveyed through PRAVDA his opinion that "leaders will not save Russia". It is possible to keep the country and the power of the soviets (councils) intact only by upholding collective and public property as the foundation of government by councils.

Grachev Announces Reinforcement of Tajik Border Troops

LD1407074693 Moscow ITAR-TASS World Service in Russian 0706 GMT 14 Jul 93

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow, 14 Jul (TASS)—A decision was made to reinforce a group of Russian border troops in Tajikistan with subunits from the 201st motor-rifle division of the Russian Federation troops. This was announced today by Army General Pavel Grachev, Russia's defense minister, at a gathering of the supervisor personnel which is under way in the Kantemirov division.

Pavel Grachev said that Army General Konstantin Kobets, Russia's deputy defense minister, will make a statement today about the situation in Tajikistan in the Russian parliament on behalf of the command of the military department.

Kobets Wants Force Legalized

LD1407092593 Moscow ITAR-TASS World Service in Russian 0810 GMT 14 Jul 93

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow, 14 Jul—The attack on the 12th border post of the Russian border troops in Tajikistan was focused on today by Russian members of parliament. On the instructions of the leadership of the Russian Defense Ministry, Deputy Minister General Konstantin Kobets informed the deputies of the development of events. According to the Defense Ministry, by 0500 today the situation on the frontier section had been restored to normal.

The Defense Ministry spokesman announced that the withdrawal of the Russian troops from the Tajik-Afghan frontier would lead "to disastrous results." He made the following request to parliament: since the army does not have legal provisions for conducting combat operations in that region, the forces of the 201st Division should be granted the right to give all-out assistance to the border-guards in protecting the frontier under accords reached with Tajikistan.

During the debate it was stressed that it is a question of the defense of the southern frontiers, in which not only Tajikistan but also Russia, just as Kyrgyzia, Kazakhstan, and Uzbekistan, have interests, too. The proposal to act in concert in the region was made.

The drafting of a document on the subject under discussion is continuing.

Foreign Ministry Warns Against Use of Force in Estonia

LD1307172093 Moscow ITAR-TASS in English 1714 GMT 13 Jul 93

[Text] Moscow July 13 TASS—The Russian Foreign Ministry expressed anxiety over the situation in Estonia connected with the referendum on national autonomy of Russian-speaking towns of Narva and Sillamyae planned for July 16-17.

Its statement circulated on Tuesday, said that Russia is seriously concerned over speculations by mass media that Tallinn is preparing a "force option" of canceling the referendum.

"Any threat of using force from any part can provoke clashes and result in unpredictable consequences", the document said.

The Russian Foreign Ministry said it "counts on reasonableness of Estonian authorities" and will thwart hostile "possible actions of individual Russian citizens and groups from the territory of the Russian Federation".

Churkin Optimistic About Settlement of Bosnian Conflict

LD1307135393 Moscow ITAR-TASS in English 1328 GMT 13 Jul 93

[By ITAR-TASS correspondent Sergey Postanogov]

[Text] Moscow July 13 TASS—"Despite the worsening of the situation in former Yugoslavia in recent days we do not give up hopes for reaching settlement in this country," Russian Deputy Foreign Minister Vitaliy Churkin said at a news conference on Tuesday [13 July].

He said that these hopes are connected with the joint initiative put forward by Serbia and Croatia to reach settlement in Bosnia and Herzegovina, the importance of which is realised by the Moslem side. Churkin pointed out that "the settlement should not reflect the results of the war and aggression." "If Moslems agree to discuss territorial division in Bosnia, the redistribution of territories, which is inevitable in this case, should be based on principles of justice rather than the results of any combat operations," the Russian diplomat said.

Commenting on Russia's position, Churkin pointed out that it was not going to impose its own concept of the settlement. If the warring sides find a solution acceptable to all of them, Russia will be ready to support it, he noted. At present, the Russian president and the parliament are paying enormous attention to developments in former Yugoslavia and Russian representatives maintain permanent contacts with all sides involved in the conflict, Churkin said.

Touching upon the problem of embargo on arms supplies to former Yugoslavia, Churkin pointed out that

"the lifting of the embargo would be a gross mistake which would lead to the aggravation of the conflict and more bloodshed."

in his opinion, this move will also lead to the withdrawal of U.N. troops and the cessation of any humanitarian operations in Bosnia and Herzegovina.

The Russian diplomat described as "absolutely outrageous" that U.N. troops, deployed to carry out peacekeeping operations in former Yugoslavia, are being subjected to provocations by the sides involved in the conflict.

Churkin told journalists that at the end of the week he was going to pay another visit to former Yugoslavia to discuss the problem of the worsening of the situation between Serbs and Croats, prospects for Bosnian settlement and other problems.

U.S. Talks on Rocket Engines for India End 'Unsuccessfully'

PM1307140993 Moscow KRASNAYA ZVEZDA in Russian 13 Jul 93 p 3

[Report by Mikhail Pogorelyy: "No Agreement Reached"]

[Text] Talks in Moscow between Lynn Davis, U.S. under secretary of state for arms control and international security affairs, and the Russian authorities concerning the future of the Russian-Indian deal on rocket engines have ended unsuccessfully.

For 14 months now the U.S. side has been trying to persuade Moscow not to sell the engines to India, saying that their supply would violate the rules governing the nonproliferation of technologies that can be used to produce mass destruction weapons. Russia's obduracy on the matter was the reason for the cancellation of the Russian premier's visit to the United States. At the same time, the U.S. State Department representative said that talks with Russia on the matter will be continued.

[Moscow ITAR-TASS in English at 1600 GMT on 13 July adds: "The fate of the Russian-Indian space deal opposed by Americans will be decided by top Russian leaders, according to a source in the Russian Foreign Ministry.

["It told TASS on Tuesday that proposals on solving the problem 'have been submitted to the supreme leadership of the country'. No other details were disclosed.

["In the meantime, Yuriy Koptev, director general of the Russian space agency, left for Washington on Tuesday to discuss the problem, TASS learned from reliable sources close to Glavcosmos.

["The deal provides for Russian shipments of two cryogenic rocket engines which can place satellites into geostationary orbits. Russian experts say the engines cannot be used for military purposes, but US authorities insist that the deal violates the non- proliferation regime for missile technologies and threatened sanctions against Russian space agencies."]

Commentary on Space Deals

LD1307193093 Moscow Radio Moscow World Service in English 1710 GMT 13 Jul 93

[Announcer-read commentary by Vladislav Kozyakov]

[Excerpts] The United States corporation Rockwell International and the Russian enterprise Energiya have agreed that Americans will acquire in Russia a docking unit for spacecraft. This commentary was provided by Vladislav Kozyakov:

The unit will be fixed at the Atlantis shuttle. It will dock the American spacecraft in 1995 on the Russian outer space orbital station Mir. Rockwell International representatives have said the contract will cost $18 million. It will include the docking system, spare parts for it, and the ground and aerial test services by Russian experts.

Energiya designers believe the docking unit may be used by Americans not solely for the Atlantis ships, but for other shuttles on operations to dock space ships in outer space. It could be multi purpose for such sorts of operations, because it is well designed and has been tested many times.

Significantly, the deal between Energiya and Rockwell International could be described as the tip of the iceberg in terms of the commercial potential of the Russian outer space industry.

For example, Rockwell International has agreed to cooperate with Energiya in developing joint outer space projects for the future, including flights to the Moon and Mars. Experts also consider the use of spacecraft Soyuz to rescue, if need be, crews of the United States outer space station Freedom.

According to experts, the use of Russian technology in building the Freedom station could save the Americans at least $2.5 billion.

The commercial use of Russian achievements in the peaceful development of outer space attracts not solely Americans. [passage omitted]

Many countries would like to maintain cooperation with Moscow in the peaceful exploration of outer space. Take the contract for deliveries of Russian cryogen boosters for spacecraft, which India would like to use for launching civilian satellites. That contract costs $350 million.

This Russian-Indian trade operation has caused a negative reaction in Washington, which saw it in the light of proliferation of rocket technology and weaponry. Russia and the United States are conducting talks on the issue.

However, many experts ask: Is the United States' stand prompted by the desire to hamper the trade freedom?

India has signed a contract on the cryogene boosters with Russia, because it believes Russian conditions are more beneficial than those offered by the United States and the European Community.

U.S-Russian Agreement on Oil Industry Loans

PM1307134993 Moscow PRAVDA in Russian 8 Jul 93 p 3

[Vladislav Drobkov report: "Credits Not Given Free"]

[Text] Washington, 7 Jul—An agreement has been signed at the U.S. Export-Import Bank on granting Russia credits for a total of up to $2 billion. The credits will be earmarked for the purchase of American equipment and services to develop the Russian oil and gas industry.

As K. Brody, chairman of Eximbank, and V. Lukin, the Russian Federation ambassador to the United States, stated at the ceremony to sign the agreement, it is in the interests of both countries. The United States will be able to secure about 40,000 jobs in the industry providing equipment for oil and gas extraction. Russia can purchase it to modernize its oil and gas industry and increase the volume of extraction and accordingly income in hard currency, which we so badly need. Although it is obvious that in this deal it is the American side which is again in a more advantageous position than the Russian side.

But credits are not given for free. Interest will have to be paid, and it will not be small. In reply to a question I put to K. Brody, he reported that for each individual contract the Russian enterprises must repay not only the amount of the loan but also the interest set by the creditor banks.

Although Brody and Lukin denied that the present agreement has been signed specially in anticipation of the forthcoming meeting between the U.S. and Russian presidents in Tokyo, both men agreed that this event should set a "good example" to the G-7 leaders gathered in the Japanese capital.

Defense Ministry Aide Defends START II

PM1307111193 Moscow KRASNAYA ZVEZDA in Russian 1 Jul 93 p 3

[Article by Lieutenant General Dmitriy Kharchenko, chief of the Russian Federation Ministry of Defense International Treaty Directorate, under the "Viewpoint" rubric: "START II Treaty: What Its Critics Do Not Want To Take Into Consideration"]

[Text] The range of opinions on the Russian-American Treaty on the Further Reduction and Limitation of Strategic Offensive Weapons (START II), which was signed in January of this year and whose ratification process has now begun in the Russian Federation Supreme Soviet, is very broad: from unreserved approval to complete rejection. But criticism of this document is not always sufficiently well argued or convincing. This is the subject of the following article by Lieutenant General Dmitriy Kharchenko, chief of the Russian Federation Ministry of Defense International Treaty Directorate.

It is clear to everyone that the START II Treaty affects Russia's vital interests, its security problems. The most objective and balanced approach is therefore needed to its appraisal. But the treaty's opponents are unwilling to take account of this. At times they are not above resorting to blatant dirty tricks with the aim of discrediting the document, its contents, and its significance. I propose to dwell on just of few questions which the treaty's critics raise most often.

They assert, for example, that the document which the Russian and American presidents signed in Moscow not only failed to correct but actually exacerbated the shortcomings of START I. It would be idealistic to claim that documents on the scale of START I and START II had no shortcomings whatsoever. After all, in preparing them each side strove to protect its interests to the maximum degree, and these by no means always coincide. In such circumstances, an agreement could only be reached with mutual concessions and compromises being made. And the agreement should be assessed by comparing the degree to which it realized its aim with the level of concessions made.

All this is very basic. Unfortunately, many of those who write about the START I and START II Treaties forget about this, and they ignore the actual political, economic, and military conditions under which they were concluded and which they must satisfy. This, for example, is how Russian Federation Supreme Soviet member B. Tarasov behaves. In the first two paragraphs of his recent ROSSIYSKAYA GAZETA article he refers five times to serious shortcomings in START I (without ever naming them) but says not a word about the fact that the treaty provides for not just the limitation but also the genuine reduction of strategic offensive weapons. Yet the most important thing about the treaty is surely that it is in the interests of the whole world community, first and foremost those of the former Soviet Union (now Russia). In the race for quantitative and qualitative parity with the United States we were forced to invest enormous sums in the creation of strategic weapons, to the detriment of our own economy and our people's prosperity. Signing this treaty allowed us to stop this completely senseless, debilitating, and increasingly dangerous nuclear arms race. Let us note that START II has the same purpose—though here it is even more marked.

Now let us consider the basic circumstances directly affecting the treaty's substance, which its critics do not wish to recognize. Let us just take the following fact. When the Soviet Union broke up, the ties between armaments enterprises which now found themselves on the territory of different states were severed at the same

time. For example, of the four MIRV'd missile systems in service with our Strategic Nuclear Forces land-based grouping three were produced in Ukraine, including the RS-20 heavy ICBM's and the more modern RS-22's. I would remind you that the guaranteed service life of all these missile systems runs out over the next 6-10 years.

What decision should have been made in the prevailing circumstances? There were three possible courses of action: to develop the production of MIRV'd ICBM's on Russian territory—which would have required enormous expenditure and time; to unilaterally eliminate land-based missile systems through "natural attrition"—which in the final analysis would have led to a significant asymmetry between the Russian and U.S. nuclear arsenals and to the breakdown of strategic stability; or to conclude a treaty with the United States on the mutual reduction of nuclear weapons to levels more or less corresponding to the actual requirements which will confront us in the near future. As we know, preference was given to the third option, and this was reflected in START II.

What has actually been sacrificed to the new agreement? As regards major issues, there is our (and the Americans') commitment to destroy all MIRV'd ICBM's not when it would be most convenient for us to do so, but before the year 2003.

Of course, the actual elimination of the MIRV'd ICBM's is bound to affect the structure of our strategic nuclear forces, which are at present founded on a land-based missile grouping. But the reasons for the structural changes lie, as we can see, not so much in the treaty as in the conditions which have resulted from the USSR's collapse.

It is possible that the elimination of MIRV'd ICBM's will make it necessary to reassign combat tasks between the land-based and sea-based groupings of the Strategic Nuclear Forces. True, the opinion does exist that our missile-carrying submarines are inferior to the Americans' in terms of quality parameters and in the face of strong ASW defenses—which the United States possesses—they could be destroyed even in the nonnuclear phase of a war.

But everybody knows that modern missile-carrying submarines do not need to overcome enemy ASW defenses, because the weapons' specifications allow you to plan the areas of combat operations in your own coastal waters. Given that we organize a reliable defense for such areas, and that we have Typhoon and Dolphin class missile-carrying submarines, we will be able to maintain a pretty awesome maritime component capable of resolving the combat task successfully.

It is important here to pay attention to the quantitative limit on SLBM warheads. It was actually the Russian side which strove for and succeeded in getting this limit down to the level of 1,750 units—which corresponded to our plans for the year 2003. Whereas by then the Americans could have had as many as 3,456 warheads on their Trident-2 SLBM's. The maximum level as set by the treaty forces the United States to limit a main component of its strategic triad—that is, the naval one. We will not have to do that with regard to our naval grouping.

It greatly concerns the authors of a number of articles that the START II treaty will, so they claim, help to give impetus to American work on developing [sozdaniye] ABM defenses. This will lead to a situation whereby the United States, in the absence of Russian MIRV'd ICBM's, will be able to destroy practically all our missiles and remain completely invulnerable itself.

It is necessary to remind the reader that the legal basis for both Russia and the United States to develop ABM systems is the 1972 Treaty. It reflects the organic interrelationship between defensive and offensive strategic arms. The greater the reduction in strategic offensive arms, the greater the ABM Treaty's stabilizing role. It is for this precise reason that, at our insistence, the preamble to the START II treaty records the sides' commitment to observe all the provisions of the 1972 treaty.

Our hard line on preserving the ABM Treaty and reinforcing the treaty regime is having a positive effect on Washington's policy as well. On 13 May the U.S. leadership announced a review of the SDI program and the plans to develop ABM systems. Now Washington is placing the emphasis on means of combating not ICBM's but nonstrategic ballistic missiles.

Finally, a word about the economic aspect of the question. Many writers try to resolve this question by confronting it, so to speak, "head on," assessing only what it will cost Russia to destroy the strategic arms stipulated by the treaty. This will indeed require major financial resources. For some reason, though, nobody is considering the fact that the arms subject to reduction would sooner or later have become obsolete and would have had to be destroyed anyway.

People may object that the expenditure due to the treaty comes at a very difficult time for the country. That is indeed the case. But you cannot—I repeat—look at the document in isolation from the conditions which gave impetus to its elaboration, ignoring the economic, political, and military consequences of the alternative courses of action mentioned above. For example, studies by a Defense Ministry group of experts have shown that implementation of the START II Treaty will not have a significant effect on overall expenditure on the Strategic Nuclear Forces, taking into account the improvement of weapons and military hardware, or on the reduction of strategic offensive arms in the period through 1 January 2003. In the period through 2005, however, its implementation will produce a saving of several tens of billions of rubles (in early 1993 prices). This is because during that period, under the terms of START II, a smaller quantity of new combat resources will be required as replacements, and a smaller quantity of systems will be in use within the Strategic Nuclear Forces

grouping. The alternative consisting in the unilateral reduction of strategic offensive arms by "attrition" may indeed be more profitable from the economic viewpoint, but its advocates are well aware that in both political and military terms it is unacceptable .

I would emphasize in conclusion that, with all its positive and negative aspects, the START II Treaty is a comprehensive document. It ought therefore to be assessed as a whole, and not just—as some writers do—in terms of the number of warheads which the sides may possess after all the reductions. It is difficult to regard such assessments as objective. It cannot be ruled out that people will emerge eager to retouch some of the treaty provisions or else block its ratification entirely. But will they not be doing Russia a disservice?

Yeltsin's Performance at G-7 Summit Viewed

934E1004A Moscow SOVETSKAYA ROSSIYA in Russian 13 Jul 93 p 3

[Article by Ye. Popov: "Very Distant Promises: Real and Imaginary Surprises of the Tokyo Meeting of the Seven"]

[Text] Perhaps none of the 19 annual meetings of the leaders of the world's leading industrial countries received in the press prior to its commencement such pessimistic forecasts of the experts as the Tokyo meeting. Michael Mandelbaum, a specialist of New York's Council for International Relations, called this summit "a meeting of the world's most powerful states, but, apparently, the world's weakest leaders." And the German SUEDDEUTSCHE ZEITUNG even christened them the "seven dwarfs," which was manifestly an unjust insult to Kim Campbell, who was recently victorious at elections in Canada and who, first, has not even had time to make a slip and, second, might rather be compared, for all that, to Snow White. But the part of Snow White was for the second time played by the Russian president, who has taken over from M. Gorbachev the baton of suppliant for Western aid, and not at the economic meeting of the strong of this world itself, what is more, but, rather, in its antechamber. The Seven admit the Russian president to their company only after the official negotiations have been completed. Radio Liberty recently disclosed the real content of the "Seven Plus One" formula, thought up to console Russian diplomacy, with the aid of the Russian saying "Seven men with the plow, one with the spoon."

The spoon was to hand on this occasion also, and, according to the optimistic version, something might even land in it. As Kozyrev declared, the Russian side demonstrated "big policy, I would say." Translated from nebulous diplomatic into plain, everyday language, this was evidently intended to mean that the mission of Yeltsin and his mighty team culminated in yet another promise of the Seven to render Russia assistance. The multidigit figures in the package of Western promises, which remain promises as yet, last figured in Vancouver at the meeting between Yeltsin and Clinton. On this occasion it was a question of $3 billion, which also was something of a surprise, come to that, for on the eve of the summit experts had assumed that only $2 billion might be allocated the international fund for assisting Russia's privatization.

However, even in the promised $3 billion only $500 million are gratis assistance.

At a joint news conference with Japanese Premier Miyazawa, Yeltsin emphasized how politely he had been treated in Tokyo: It did not, allegedly, have the appearance of the arrival of a pupil and of strict teachers "starting to grill him on all subjects." And to a question concerning the prospects of the Seven becoming the Eight the Russian president responded with a look of dignity that he was altogether in no hurry to achieve this goal even inasmuch as time was on his side and that he would end up in the club of the strong of this world, all the same—"a year sooner or a year later."

London's INDEPENDENT, meanwhile, gives a somewhat different version of the debate on the issues broached by Yeltsin. Citing confidential sources—an "internal memo"—the newspaper attests that Yeltsin "was subjected to a real interrogation" on the state of affairs in the Russian economy. And it is, contrary to the upbeat statements of Yeltsin and his government, very distressing, as we all know.

And one further piece of testimony of the London newspaper based on the "internal memo": The leaders of the Seven, apparently, "beleaguered" Yeltsin, so to speak, when he began to seek Russia's inclusion in the club of the elect—the leading capitalist powers. Indirect confirmation that Yeltsin really did get into an awkward situation in Tokyo when soliciting equal partnership is contained in an interview with U.S. President Clinton, who declared that he had "no intention of giving a 'reasoned justification'" as to why Yeltsin should not be admitted to the club of leaders of the leading powers. True, even in Tokyo Yeltsin received an invitation for next July (if, of course, he is still in the presidential office by that time) in the beautiful Italian city of Naples. But once again it was emphasized that at this meeting also the Russian president would not have an equal voice.

It is far more likely, evidently, that the Seven could become the Eight thanks to the Chinese People's Republic, if its leaders deem it expedient. In any event, an expert on a BBC television feature shown last Sunday on the Moscow Channel quite reasonably wondered: "It is very hard to understand why at these meetings there is no China, which has the world's third biggest economy."

Summing up the Tokyo summit, we would note also that the question of assistance to the market reforms in Russia was not even among the most important, perhaps, at this meeting. Priority No. 1 of the leading capitalist states was the economic recession and growing unemployment.

At the final news conference U.S. President Clinton and Japanese Prime Minister Miyazawa spoke enthusiastically of the "start of a promising economic partnership" and a "breakthrough into the future." After many hours of turbulent debate, agreement was, to the astonishment of skeptical experts, reached on at least some important matters. But as BBC Radio reported, distrustful journalists suspect that the agreement paraded by the leaders is merely a symbolic gesture as yet, and it was no accident that to specific questions at the news conference Clinton was simply "unable to offer anything meaningful in response."

Three times prior to the Tokyo meeting the leaders of the Seven had intended, incidentally, unfailingly to complete "by the end of the year" the protracted Uruguay round of negotiations on a liberalization of international trade.

Progress will hardly be any quicker in the elimination of the discriminatory restrictions in accordance with a creature of the cold war—the notorious Cocom list—it would seem.

The following report of Voice of America was also heard in connection with the meeting in Tokyo: "The reform group headed by Finance Minister Boris Fedorov is, evidently, studying the question of a swap of the $80 billion debt for the most attractive real estate in Russia." Also highly noteworthy was the note accompanying this news: "...the exchange of the debt for land is so delicate an issue that Boris Yeltsin's government is not advertising it."

In what a surprise for Russians the trips of the domestic Snow White to the seven dwarfs could end!...

Commentary Sees Positive Outcome

MK1307130093 Moscow SEGODNYA in Russian No. 33, 13 Jul 93 (signed to press 12 Jul) p 2

[Aleksandr Bekker commentary under "Summit" rubric: "The Tokyo Final: 7 1/2. Russia Is Forcing Its Way to Being Equal Among Firsts"]

[Text] The Russian delegation seems to have been preparing itself for the Tokyo G-7 meeting on the principle: "Ask for the impossible and you will get the maximum." The aims proclaimed by Vice Premier Shokhin looked as follows:

1. Get the West to recognize Russia as a market economy;

2. Insist that Russia's discrimination in foreign trade be ended;

3. Persuade the West to extend the "debt respite," including a delay on payments to the London Club and to private firms;

4. Involve the G-7 in the process of supporting the CIS countries and thereby relieve Russia's burden as a donor nation.

These questions seem to be quite appropriate for a summit, but G-7 rounds are not a place for sensations or historic breakthroughs. Here they only record what has become ripe and for which the West is internally ready. Therefore, in the Japanese capital Russia received a maximum of what it was meted out prior to Tokyo: amiable smiles, a point in the political declaration on support of reform, a point in the Tokyo pact on the possibility of relaxing the Cocom regime (high-technology export), and finally, $3 billion for the privatization fund. It was decided to lift all restrictions on trade with Russia by the year 2003.

Boris Yeltsin must have been disappointed. He should not be. Tokyo in fact has become a watershed for Russia: For the first time the country has announced its trade ambitions, its claims to a place in the world economy. The reflex, which goes back to Mikhail Gorbachev, to clutch at any credits as at a straw has been overcome. The authorities have finally seen that external credits are playing a subsidiary role while the main thing are the funds of domestic producers, the population, and the entrepreneurs. It is their capital that should become a jack to raise the economy.

Russia, it seems, its moving away from upheavals. There is a gradual realization of the motives behind Western policy with respect to Russia. One recalls last year's euphoria: "We have barely begun the reform, and the G-7 is already advancing us $24 billion." Now Russia is parting from its simplemindedness, understanding that aid packages have their political seamy side—they are timed to coincide with "glorious dates" in the life of the Russian people. The $24 billion was announced during the Sixth Congress of People's Deputies (April 1992) when the first attempt was made to oust the Gaydar government. The declaration on $43.4 billion came just in time for the April referendum.

Russia is getting sober. Even when credits are brought on a silver platter, as they say, the government acts with circumspection. At the end of last year it resisted the temptation to accept $1 billion. Recently it gave up claims to a $6 billion ruble stabilization fund. The explanation is simple: They are not ready to use these funds effectively. Out of the G-7's $10 billion interstate credits, according to Boris Fedorov, the Council of Ministers is going to use only half.

At present it is clear to the Russian leaders that it is not very difficult to get a credit in the West to, say, buy agricultural produce. The agrarian lobby, for instance, in the United States will turn both houses of Congress upside down to ensure markets for its farmers. It is quite a different matter when world competition and protection of one's own firms are involved. The West was dismayed when Russia began to revise the essence of its credit policy, including the foreign trade component.

Simultaneously tension emerged on the arms, uranium, and textile markets. There are currently 16 anti-dumping procedures with respect to Russian goods. The barrier lowered by the West blocks our exports by approximately $2 billion. The lifting of restrictions, according to experts, would increase Russian exports by $5-6 billion within three to four years.

The West understands the inevitability of Russian foreign economic expansion, but it would apparently like to impart to it a raw-material, especially oil and gas, orientation. It was no accident that the unprecedented $600 million credit from the World Bank was addressed to the fuel and energy sector. A credit of $2 billion from the U.S. Eximbank was also made available for Russia to buy oil producing equipment. The West's interest is understandable: An increased flow of energy from Russia will weaken the world economy's dependence on the OPEC countries and will help Russia raise its hard currency revenues, and with it Russia's repayment of its debts to the G-7 countries. Clearly, insofar as interests overlap, Russia will accept loans, seek foreign investments, and grant concessions.

Far from all spheres of interests, however, are in harmony. The existing differences are causing Russia to show its temper. It is in this vein that experts assess Boris Yeltsin's refusal to go to a European Council session. It is also in this context that the cancellation of Viktor Chernomyrdin's visit to the United States should be seen. A private deal on selling cryogenic engines to India complicated relations between Russia and the United States, it seems, not owing to the U.S. concern over the fate of the treaty on the nonproliferation of missile technology. The United States is threatening sanctions because it is worried over the precedent of Russia's independently choosing a partner. The Unites States would apparently like to direct, within certain limits, Russia's foreign trade strategy. As for Russia, whatever the contract might be worth ($400 million), it obviously considers it more important to show firmness in maintaining its own positions.

There is a temptation to test oneself to the very end in this dispute and not to yield an inch, hoping that the counterpart's nerves would snap. Diplomatic stubbornness, however, can sometimes turn into a quality that is more characteristic of a certain animal renowned for its obstinacy. In terms of interstate talks this is surely not an asset. At the end of the day, the cryogenic engines are merely a local deal between Glavkosmos and India, while relations between Russia and the United States are considerably broader. Russia is yet to hold talks with the London Club on rescheduling the payment of the $12 billion debt. Moreover, the Russian Federation is hampered with the burden of a $7 billion debt to private firms, while the United States could render assistance in creating a fund to repay them. In addition, the Paris Club has reorganized the debt of the former USSR, while Russia has built up its own debt of approximately $8 billion—and apparently talks about delaying its payment are inevitable. Furthermore, $11 billion of critical imports, effected entirely on the basis of Western credits, could not be ignored either.

"Russia is joining the club of leading nations as a full-fledged member," Vice Premier Boris Fedorov said on the eve of the visit to Tokyo. Wishful thinking is well in evidence here. Of course, it is hardly pleasing that U.S. legislation contains 300 references to Russia as a communist state still categorized as having a central economy, which is actually blocking equal trade. True, the inadequacy of market relations in Russia cannot but be admitted. State subsidizing of imports remains; export quotas are formidable; and there is heavy budget financing of nonviable enterprises. Therefore one should not really be too strongly upset over the fact that Russia not been accepted as an equal among the firsts in one fell swoop. The appraisal of the Tokyo summit with the "7+1" formula appears to be incorrect. It would be more accurate to use the 7 and ½ formula. There is nothing in it infringing national self-respect.

The transformation of the fraction into a full "eight" will occur naturally. There will be no need to bang one's fist on the table over this in subsequent summits.

TRUD Comments

934E1001A Moscow TRUD in Russian 10 Jul 93 Saturday Edition p 6

[Article by correspondent Sergey Bunin: "The 'Big Seven' Take a Test"]

[Text] Tokyo, 9 July—The meeting of the "Big Seven" in Tokyo has made its report to the world through the satisfactory adoption of final documents whose content on the whole contains no surprises. The host of the event, K. Miyazawa, who was quite fatigued but clearly happy with the results (he had to hold the summit at the very height of an election campaign), was finally able to catch his breath at the final press conference: In his words the current summit, which has been called a meeting of the "weakest leaders" in the almost 20-year history of the G-7, has coped with its main task—to establish a coordinated approach to a multitude of the most complex modern problems—despite gloating prophecies and skeptical predictions.

All these problems were reflected in the economic declaration adopted at the Tokyo meeting. Domestic problems in the G-7 countries themselves—a sharp slowdown in the rate of growth, economic recession, and impermissibly high rates of unemployment in a number of countries (a total of 23 million people)—became the key topics of a three-day discussion that was held. As commentators could not help joking on this account, the Tokyo summit may safely be called a "summit of the unemployed."

A special chapter in the agreements is devoted to the issue of integrating the former planned economies into the economic system of the world. Firmly stated support for "Yeltsin's reforms" was the most significant result of

the meeting in this regard, which the European countries and the United States had sought from the very beginning. A detailed assistance program for the privatization of Russian enterprises was approved; $3 billion was allocated for the purposes of this program, simultaneously with the opening of a permanent office of the G-7 consulting group in Moscow with a view to carrying out the plans. Finally, the participants have "grasped" "the significance of easier access to world markets" for the economic progress of Russia. Moreover, readiness to work with Russia toward its admission as a GATT member was put on record.

The political declaration focused on regions with heightened tensions: North Korea, Cambodia, the Middle East, and Bosnia. Discussion of the situation in Yugoslavia was extended at the insistence of the European participants in the meeting to such a degree that even the release of the document had to be rescheduled by one hour.

According to commentaries in the world press, the G-7 meeting is going through a critical time. The old structures for governing the world, of which the summit itself may be considered one with full justification, have outlived themselves. New structures have yet to be created. For a while the G-7—and in the future, perhaps, a G-8, given Russia's clear-cut aspiration to play an increasing political role in solving global problems—will continue to gather together out of a lack of alternatives. However, it is already clear that the circle of participants will unavoidably have to be expanded. Some propose to enhance the role of the United Nations and increase the number of permanent members of the Security Council instead.

The Russian delegation had as tight a schedule as possible: In addition to a three-hour conference within the framework of the "seven plus one" meeting, President Yeltsin was also to communicate one-on-one with each of the G-7 leaders and former Prime Minister Y. Nakasone, and visit the general offices of the famous Sony by way of a cultural program. The president should be in a good mood: His visit with the host of the meeting, K. Miyazawa, which had made him uneasy, went the best it could. The tone for everything was set by the president's statement at the airport. In this statement the president, addressing the people of Japan directly, apologized for the undiplomatic cancellation of last year's visit and expressed his confidence that the two countries are "up to the effort to clear away the obstructions of the past and up to the final peaceful settlement."

Judging by the response of the Japanese side, this orientation made an exceptionally favorable impression on it. The Japanese prime minister acknowledged this directly during a meeting with B. Yeltsin: "This was a good message." During a short conversation, which took only 15 minutes, including interpreting, Miyazawa stated that they understood that it would be quite difficult to solve complicated issues at once under current conditions. However, it is necessary for both sides to begin moving in this direction. In response, B. Yeltsin noted the importance of settling mutual relations on the basis of legality and justice, "in the context of the balanced development of the entire set of mutual relations, taking each other's interests into account, without haste and excessive emotion." It appears that Tokyo has finally agreed to this scenario.

Against the background of such "positive accomplishments," they also succeeded in agreeing on a new date for a visit by the head of the Russian Federation to Japan—the middle of October 1993.

Shokhin Interviewed on Relations

934D0234A Moscow KOMMERSANT-DAILY in Russian 1 Jul 93 p 4

[Interview with Deputy Prime Minister Aleksandr Shokhin by correspondent Natalya Kalashnikova; place and date not given: "Russia Intends To Introduce a New Language Into Communications of the G-7"]

[Text] **On the eve of the "Big Seven" summit, where the main issue will be discussion of the economic package for supporting Russian reforms, there were signs that Russia is prepared to alter its approach to relations with the leading industrial powers. Judging from a number of statements of representatives of the Russian Government, the time has come to change from waiting for aid from the West to having an equal partnership. The G-7 package itself is now viewed not so much as a possibility of obtaining additional financial funds as it is as a basis for effective and mutually advantageous cooperation between Russia and the West. Deputy Prime Minister Aleksandr Shokhin was kind enough to agree to comment on Russia's position and gave an exclusive interview to KOMMERSANT-DAILY correspondent Natalya Kalashnikova.**

[Kalashnikova] Aleksandr Nikolayevich, what, in your opinion, can Russia expect from the forthcoming Tokyo meeting of leaders of the leading countries of the West?

[Shokhin] First of all, of course, it is not the package of $43.4 billion itself but the establishment of a position whereby the G-7 will regard Russia as an equal partner from two standpoints. First, as a country with a market economy. During the two years of the reforms we have transformed the political system, and we think that Russia can no longer be called a country with a transition economy. Both from the standpoint of privatization and in price liberalization we have moved so far that we have left many Western industrial countries behind... From the standpoint of certain parameters. Unfortunately not all of them and, of course, not from the standpoint of the standard of living. We would like Russia's status as a country with a market economy to be formalized first of all by nondiscriminatory trading conditions.

Now quantitative restrictions on Russian exports have been introduced both by the EC and the United States. But there are various kinds of restrictions. They can be

nondiscriminatory—when all countries are allowed access to the market on equal grounds—or they can be discriminatory, that is, special conditions are created especially for one country or another. Now Russia is actually going through the second list. We are considered to be a "transition country with a nonmarket economy," but for a number of Western countries we are still a communist power. Which, of course, is paradoxical: After so much effort and torment, including on the part of the people, to transform the economy, and the result is that we retain the same foreign political image we had five years ago. In particular, American legislation, according to estimates of President Clinton, contains up to 300 references to Russia as a communist power, a country with a centralized state economy and state-run trade.

The second circumstance we would like to register in Tokyo is that Russia, being a great power and already a country with a market economy, is nonetheless in a difficult position and therefore it needs a certain reprieve. We associate this reprieve primarily with the solution to the problem of our foreign debt. We have already received permission to postpone payment of the debt. The $15 billion we received through the Paris Club is actually one of the most important elements of the Tokyo package. But while we have an agreement with the official creditor members of the Paris Club, we are still oppressed by the lack of regulation of the problem of debts to commercial banks, the so-called London Club. The first round of official negotiations has already taken place but our positions do not coincide yet. Russia would like payments to be made to the London Club according to the same arrangement we have with the Paris Club, and their volume should not exceed it. Our figures now differ by something like a factor of two: According to the idea of the London Club, we would have to pay $1.2 billion this year, but if the Paris Club arrangement were applied it would be $570 million. Every 100 million is very significant for us. Russia is counting on moral support from the countries and governments of the G-7 in allowing the arrangement with the Paris Club to be applied in relations with banks. Particularly if one keeps in mind that the Paris Club contains an "equal treatment" article, that is, no other creditor may have conditions better than those of this club's members. Support is needed primarily in order to make sure that the banks do not put pressure on us and insist on better conditions.

[Kalashnikova] What is the situation with respect to indebtedness to private firms? Is Russia prepared to solve this problem this year?

[Shokhin] This problem undoubtedly exists. It pertains to Western firms which delivered goods back when we were the Soviet Union. These goods were eaten up, drunk up, and smoked up long ago: Unfortunately, not quite the right products were purchased. Now we must pay. We have $7 billion in debts like this. Many Western firms, especially small ones, are in a difficult position because of nonpayments. Therefore they are not forgetting about these debts in the West. The difficulty is that we are not able to pay this money right away. These firms have no club at all—neither a Paris nor a London club—and negotiations must be conducted with each individually. Our idea here is simple, like the truth—to apply to these debts the same arrangement as we have with the Paris Club, which can be done only on the basis of negotiations. We cannot force the firms to accept this because they can always resort to arbitration. And not only in the West but also here: For a percentage of the transaction the Industrial-Trade Chamber of Russia will enthusiastically hear such cases and award the decision in favor of the Western firms, and we have already run up an immense sum. As a result, debts like this could develop into a catastrophic situation. We would like the Western governments to "persuade" their firms to resort not to arbitration but to negotiations. This would also be advantageous for the firms themselves. While, for example, the ship Kapitan Kanevskiy was seized in the Netherlands—they would still have to go to the trouble of selling it. And there are not many buyers for an old ship. And if Russian property is seized in the port of Rotterdam for nonpayment, the port will soon be crammed full of Russian ships, which will complicate the functioning of the port itself first of all. Incidentally, in Tokyo we would like to suggest that a part of a package—let the G-7 decide which—be used for the formation of some kind of insurance fund for supplier-firms which are on the verge of bankruptcy. In critical situations the Western governments themselves will be able to support these firms, for example, by granting them credit. The problem of a reprieve, the postponement of payment of the debts, is one of the key ones. Regardless of how large the package may be, if Russia has to pay $7 billion this year (or they begin to seize its property), this will not save the country.

[Kalashnikova] Could the decisions of the G-7 be reflected in economic relations between Russia and the CIS countries?

[Shokhin] In Tokyo Russia is prepared to raise the question of removing from it the burden of a donor. The paradox is that, while being a debtor, Russia is a donor for the CIS countries at the same time. According to estimates of the IMF and the World Bank, last year this transfer amounted to $17 billion, while Russia received $16.8 billion from all financial resources in the form of credit and other forms of outside financing. There is an imbalance in favor of the donor function. Therefore we would like to reorient the Western community toward more active assistance to CIS countries, including granting them special purpose credit for trade with Russia. This is how a remarkable idea originated: "passing" through the CIS some of the financial resources that are allotted to Russia, for example, part of the $3 billion in system credit from the IMF. Today, incidentally, is a historic day—the IMF Board of Directors will make a final decision about granting the first part of this credit—$1.5 billion. And the second $1.5 billion, which will be granted a half year later, we could give back to the monetary fund under the condition that the IMF grants

the CIS countries special-purpose credit for buying energy sources in Russia. We would receive this money in a much more effective way—there would be no need to return it or to service it either. Incidentally, many CIS countries are prepared to do this since we usually give them funds for buying energy sources under normal commercial conditions. IMF credit is more advantageous. The interest here is mutual. If the West will agree to help its firms and the CIS countries, Russia will receive its help in the most effective way. This is more advantageous for us for political reasons as well: The West will be helping not Russia as such but the CIS.

[Kalashnikova] What is the package from the Big Seven now? Have there been any adjustments to its structure since April, when it was formed?

[Shokhin] As for the Big Seven package, it is unchanged—$43.4 billion—but it is a little "thinner." What is being questioned now is the formation of a privatization fund of $4 billion. If from the $43.4 billion one subtracts $15 billion—the agreement with the Paris Club—$28.4 billion will remain. Of this, $6 billion will compose the fund for stabilization of the ruble, which in principle we are not prepared to accept. We must also take into account the fact that Russia may receive part of the funds over not one but two years. The IMF reserve credit—$3 billion—will be allotted by the quarter, so it too will carry over into the next year. The same thing can be said about World Bank credit—$4 billion. There is also another aspect of the package—about $10 billion in bilateral credit and guarantees. According to our estimates, we will not be able to accept more than half of this.

[Kalashnikova] Is preferential credit included here?

[Shokhin] It is precisely because this is commercial credit under ordinary conditions that we cannot accept it. We would like to speak with the G-7 not only in Tokyo but also later, so that the elements of preference would appear in these credit lines. For now we cannot accept this credit because we are afraid that our indebtedness will become excessive and more than Russia can handle. If there are concessions, for example, regarding the grace period, why not accept it? According to our estimates, if we were to accept the entire package of $28.4 billion under ordinary commercial conditions, as early as next year Russia would have to pay $3.5 billion to service it. And this could throw the country into a financial tailspin. If our enterprises want to attract investments themselves and provide for paying for them, we will not stand in their way. Speaking of the package as a whole, the term "aid" cannot be applied to it. When it comes to bilateral commercial credit and guarantees—this is normal cooperation in which our Western partners are interested to an equal degree. That is, they will be given the opportunity to move their goods onto the Russian market. And when I was speaking with some Americans recently I told them—this is our aid to you, because we will be accepting special- purpose credit from you in order to buy your equipment. At the Tokyo meeting in general we would like to introduce a different language for communicating with the G-7. We should be speaking about large-scale cooperation. When we are really talking about aid, we are prepared to use that concept as well.

[Kalashnikova] And where does one speak about aid?

[Shokhin] Elements of it are present in World Bank credit. So far there has been no discussion of this on a bilateral basis. Although there are "grants" there, they are very insignificant. Thus the American Vancouver-1 package contains a "grant" for the construction of housing for military servicemen—$5 million. According to the calculations of the Americans themselves, it could help the families of 400 officers. That is, it would be possible to build the model-demonstration village of Klintonovka, although, of course, it is important to use this example to work out a model for this kind of cooperation. Moreover, there are two kinds of foreign financing: with an increase in the debt and without this increase. Even preferential credit means foreign debt. As for real aid without increasing the foreign debt, such a thing does not exist yet. Of course, the economies of the countries of the West are now in a difficult situation and this is why they are also protecting their markets so painstakingly. This is also why the discussion of this kind of aid will not be easy.

But on the whole I would not want to have any element of skepticism in my assessment of the prospects of relations with the G-7.

Ukraine's Nuclear Intentions Reach 'Danger Point'

PM1407100393 Moscow KRASNAYA ZVEZDA in Russian 13 Jul 93 p 3

[Article by Aleksandr Golts: "Is Nuclear Status To Ukraine's Benefit?"]

[Text] Kiev has staked its most serious claim to nuclear weapons since the state's formation. When approving the basic principles of foreign policy, the parliamentarians enshrined in legislation a provision to the effect that the country "is for historical reasons a possessor of nuclear weapons." The president and government not only failed to dissociate themselves from this approach, but indirectly confirmed it in a series of statements.

I can sympathize with Ukrainian diplomats who are now making a belated attempt to demonstrate the "legitimacy" of this decision. They "forget" that there have been several special international agreements on the former USSR's nuclear weapons, including the Lisbon Protocol, signed by Ukraine, which demands that it immediately join the Nuclear Nonproliferation Treaty as a nonnuclear state. So Ukraine, no matter what rationalization it resorts to, is clearly violating its own commitments.

Kiev tries to to explain its position by citing the inadequate security guarantees offered to Ukraine by the nuclear

states, including Russia. I regret to say that the Russian parliament's latest decision on the status of Sevastopol essentially adds grist to the Kiev extremists' mill. But one cannot help noticing that Moscow and Washington, which have a direct interest in the speediest implementation of Ukraine's commitments under the START I Treaty and Lisbon Protocol, have already done a great deal to satisfy Kiev's demands—by no means always warranted, in my view—concerning special security.

Kiev's reponse is merely to strengthen its claims. So it is not a security matter. Ukraine has not yet rid itself of the feeling, which has long since ceased to correspond to the real state of affairs, that the possession of nuclear weapons could boost the country's status and enable it to be at the center of world politics. But that is no more than a dangerous delusion.

And it appears that Ukraine has now actually reached the danger point where the West and Moscow stop using persuasion. I think the appeal to Ukraine, contained in the "big seven's" political declaration, and the U.S.-Russian initiative on a tripartite agreement on nuclear problems are final attempts to reach an amicable understanding. As soon as everyone sees that Ukraine is seriously intent on becoming the world's third-most-powerful nuclear state, political and economic sanctions will not be far behind. In this connection it is pertinent to recall that the United States has not been slow to bring very tough pressure to bear even on "strategic allies" whenever they have shown indications of wanting to possess nuclear weapons. And the very fact that it has reneged on earlier pledges, albeit not on nuclear weapons, does nothing to enhance Ukraine's authority as it makes its first faltering steps toward establishing itself in the international arena.

But that is a minor problem. The trouble is that the Ukrainian parliament's decision seriously threatens the security of Ukraine itself. Because it lacks the proper infrastructure, Kiev cannot independently maintain the nuclear weapons that are on its territory. It is no secret that a significant proportion of the nuclear munitions have exceeded their guaranteed operating periods and are in a critical state from the safety viewpoint.

So the desire to acquire nuclear status without prior arrangement is no more than a political concession by the Ukrainian leadership to nationalist forces. It will bring nothing but new, very serious problems for Ukraine itself and for the rest of the world.

Russia Concerned Over Ukraine's Plans for Aircraft Carrier

MK1307141093 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No. 14, 7 Jul 93 (signed to press 6 Jul) p 4

[SIXTH-FLOOR NEWS AGENCY report: "Russia Wants the Varyag Aircraft Carrier Back"]

[Text] It has now become known that the visit by Russian Premier Viktor Chernomyrdin and his Ukrainian counterpart Leonid Kuchma to the city of Nikolayev late in June was occasioned by the fact that the Russian side is showing heightened anxiety over the future of the Varyag aircraft carrier being built at the local shipyard.

The Russian Government sharply objects to Ukraine's plan to cut for scrap and sell for hard currency the already finished hull of the aircraft carrier. The question of the Varyag's future will be decided in conjunction with the future of the entire Black Sea Fleet. Quite possibly, Ukraine will be asked to pay for oil and gas with the unfinished aircraft carrier owing to the lack of rubles.

Khasbulatov Comments on Status of Crimea

LD1307174793 Moscow Russian Television Network in Russian 1445 GMT 13 Jul 93

[Report by unidentified correspondent on news conference by Supreme Soviet Chairman Ruslan Khasbulatov with foreign correspondents in the House of Soviets in Moscow; date not given; from the "Parliamentary Hour" program—Khasbulatov remarks recorded]

[Text] [Correspondent] In the House of Soviets, Russian Supreme Soviet Chairman Ruslan Imranovich Khasbulatov had a meeting with representatives of the foreign media. There was thorough talk about problems of Russia's foreign and domestic policy and the progress of the economic reforms. One of the main questions from journalists was the Supreme Soviet's decision on the status of Sevastopol and the Crimea.

[Khasbulatov] You know the history of this question: The question arose two years ago. It arose at the time when the treaty on friendship and cooperation was being signed between Russia and Ukraine, when the Union still existed. Then, when the treaty came up for ratification and the question of the Crimea and Sevastopol in particular was raised, the deputies said since we have one country we will not raise the question of the Crimea because hitherto there have been no official decisions, state decisions on handing over the Crimea to Ukraine, none at all. It was an arbitrary decision of the Politburo that Crimea Oblast of the Russian Federation was handed over and before that it was liquidated also practically by a decision of the Politburo; Crimean autonomy was liquidated and was illegally transformed into Crimean Oblast.

So in 1990 when the treaty with the Ukraine was ratified, deputies came to an understanding on the question. Of course, after the Belovezhskaya agreement, it started to come up again. This question took on a particularly acute nature in connection with the division, the so-called division of the Black Sea Fleet. This division was implemented by two presidents without consultations with their parliament. We, or I, at any rate, taking into account the complex relations and complex internal

situation of Russia and Ukraine and the other countries, frankly speaking, we tried to somehow evade this question and we were succeeding in smoothing over and evading this question until the two presidents took this decision on the division of the Black Sea Fleet.

But you know about the reaction of the Black Sea Fleet and their appeal to the Supreme Soviet. In these conditions of course it was necessary to have an analysis of this problem. But an analysis had been going on for a long time. Already at the Congress a special deputies' commission had been set up to study this question. The commission came to the conclusion that Sevastopol was never handed over by any state act to Ukraine, never at all. Imagine a situation in which there is no state act by representative power or government power, under which a Russian town is handed over to another country. It is absolute nonsense.

When I perused the documents and learned about most of the material I was simply surprised. It seems there is not a single state act handing over Sevastopol from Russia. Of course this had a very serious effect on the deputies. When a vote was taken I was surprised. No one was against it, right? Imagine, here neither on the left or the right no one can say that there are here some kind of pro-communist deputies' forces and so on. Here everyone was entirely in favor of it as far as could be seen.

But frankly speaking, I personally would have preferred a softer decision and so I proposed a somewhat softer decision especially as I am, after all, chairman of the Interparliamentary Assembly of the Commonwealth. So I proposed that parliament adopt resolutions instructing the government to carry out these decisions. Parliament in this event adopted not a party position but a national state one and the traditional division into leftists and rightists was absent here—unfortunately or fortunately, I do not really know, it is hard for me to say. They considered that more precise decisions were needed, not simply an instruction to the government but the principled adoption of a decision and the government should give instructions for the appropriate diplomatic and political talks to be held with the Ukraine Government.

Such was our position. I know that we held numerous talks with the Ukrainian parliament with regard to this issue. Incidentally, they understand our concern. I had a word with a colleague of mine from Ukraine and also talked last night to the chairman of the Crimean parliament, and I came to conclusion that they generally understand our position but naturally their position is somewhat different.

So, what can be done about it? This does not mean that Armed Forces should now try to take things under their control. This will not happen. There is talk about peaceful negotiations and political talks. I strongly advocate a purely peaceful, political approach to tackling complex problems. I think that everyone knows this. I will never allow myself to initiate an armed conflict. This is my position as a citizen. I belive that all disputable issues in our world should be resolved only by means of political talks and one should by no means resort to the use of force in tackling both domestic and international issues. At the end of the 20th century the use of force should be ruled out in tackling any complex problems.

Leasing of Bases Seen as Way To Defuse Sevastopol Crisis

PM1307184993 Moscow KRASNAYA ZVEZDA in Russian 13 Jul 93 pp 1,3

[Report by Vladimir Maryukha: "Sevastopol, Sevastopol, Whose Seamen Do You Belong To? Impact Of Russian Parliament's Decision."]

[Excerpts] The Russian parliament's work last week culminated in the "Sevastopol campaign"—the deputies adopted with rare unanimity two decrees: "On the Status of the City of Sevastopol," confirming its Russian federal status within the administrative-territorial city limits as of December 1991, and "On Financing the Black Sea Fleet." These decisions, as well as parliament's appeal to the Black Sea Fleet seamen, were loudly applauded by the delegation of representatives of Crimean public and political movements which was present in the hall of sessions. The very next day citizens at a rally in Sevastopol demanded the lowering of the Ukrainian flags on administrative buildings, the convening of an extraordinary session of the city soviet, and the adoption of a decision on the withdrawal of all Ukrainian military formations, including the navy, from the city. [passage omitted]

The Russian Federation Foreign Ministry has issued a statement pointing out the "emotional and superficial" nature of the decision by parliament, whose action "does not hold out the prospect of real decisions and merely hinders the already difficult quest for them." Russian President Boris Yeltsin was even blunter: "We don't want a war with Ukraine at the moment." Certainly we have to tackle territorial problems, in particular the problem of Crimea, but by means of talks, not ultimatums," the president told journalists at Irkutsk airport.

Do Russia and Ukraine really have to fight over the status of Sevastopol? There has existed for a long time the world over a civilized mechanism for resolving similar differences, the absence of which we noted in the agreement on the division of the Black Sea Fleet signed on 17 June. It is the leasing of bases, including naval bases. The most sober-minded military specialists both in Ukraine and in Russia favor this method of solving the problems of the Black Sea Fleet and Sevastopol. In an interview for the paper HOLOS UKRAYINY, Colonel General Vladimir Tolubko, chief of Kharkov Military University, favored the leasing out of Sevastopol in exchange for Ukraine's leasing of Russian space centers. According to the general, the "basing of two fleets at one naval base could create conflict situations there. At the

same time, the Russian Navy will not be leaving Crimea, and we will not be forced to withdraw it, since that would lead to war."

Such a development would suit neither the Ukrainian nor the Russian people. So we must resume the dialogue, with the Crimean parliament joining in, and the discussion of the Black Sea Fleet's future must be conducted taking into account the overall security of all the parties. There is still a chance of preserving the unity of the Black Sea Fleet, since to divide it up mechanically 50-50 is in no way going to solve the problem of creating a Ukranian Navy and ensuring the combat capability of the Russian part of the fleet.

'Populist' Sevastopol Decree Damaging to Ukraine Dialogue

PM1307185593 Moscow ROSSIYSKIYE VESTI in Russian 13 Jul 93 p 1

[Igor Sukhanov report: "Sevastopol's 'Third Defense'? Our Parliament Shows Itself Yet Again Quick To Make Hasty Decisions on the Most Difficult Problems"]

[Excerpts] The Russian Supreme Soviet adopted the decree "On the Status of the City of Sevastopol" Friday 9 July. The document reaffirms the Russian federal status of Sevastopol within the administrative and territorial boundaries of the city district as at December 1991. There were 166 deputies who voted in favor of the decree, none voted against, and one abstained. [passage omitted]

Sometimes even the official Ukrainian authorities have not always made correct use in the political dialogue with Russia of the arguments relating to the Black Sea Fleet and Sevastopol... In this sense the deputies' impatience would have been understandable... But can legislators really allow themselves to be guided by emotions?

Admittedly, Russian parliamentarians can. Particularly when required by the political circumstances.

It is obvious that the Russian Supreme Soviet deputies' decisions on Sevastopol were dictated by populist motives. These will undoubtedly make jingoists enthusiastic. But at the same time they will do the gravest damage to the Russo-Ukrainian political dialogue. And this will be in the wake of the signing of an economic agreement between Russia, Ukraine, and Belarus. In the wake of the parity finally achieved in resolving the Black Sea Fleet problem at the recent Moscow meeting between B. Yeltsin and L. Kravchuk. In the wake of the first improvements in solving the problems of the nuclear weapons located on Ukrainian territory...

Sevastopol is indeed a beautiful city that has indissoluble links with Russia. The Black Sea Fleet has indeed been—and, I hope, will continue to be—a Russian fleet. But Crimean history has already experienced one ill-considered decision by that major Soviet innovator Nikita Khrushchev. And the current generation of Soviet people is reaping the fruits of it.

Should the Russian parliament be following these bad traditions?

Ambassador Rogachev Views Ties With China

PM1407082793 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 93 First Edition p 7

[Interview with Igor Rogachev, ambassador extraordinary and plenipotentiary to the PRC, by Dmitriy Kosyrev; place and date not given: "We Are Neighbors. This Says Everything"]

[Text] Beijing-Moscow—Igor Rogachev, Russian Federation ambassador extraordinary and plenipotentiary to the PRC, answers ROSSIYSKAYA GAZETA's questions.

[Kosyrev] What is China for us: an ally, friend, or partner?

[Rogachev] Relations with China—one of the world's largest countries, which possesses enormous human and economic potential, approaches the world's highest scientific and technical standards in a number of areas, and has for the last 15 years displayed exceptionally high growth rates in the course of its economic reforms—cannot fail to occupy a special place among Russia's foreign policy priorities. We are, after all, close neighbors, with one of the world's longest common borders.

The joint declaration signed in Beijing last December establishes that the Russian Federation and the PRC regard one another as friendly states which will develop relations based on good-neighborliness, friendship, and mutually advantageous cooperation. This formula adequately reflected the essence of the new Sino-Russian relations, which by mutual consent will not return to what they were in the 1950's when we were allies.

[Kosyrev] It is possible that we will "miss the boat" of economic cooperation?

[Rogachev] Even in the present difficult circumstances of the reform process in Russia and intensified competition with the West, we are not just maintaining our economic presence in China but gradually increasing it. Last year China proved to be more or less Russia's only major partner to record a significant increase—of almost 50 percent—in the volume of commercial and economic cooperation.

[Kosyrev] How are the Chinese conducting themselves in the negotiations to reduce troops on the border, and what does their behavior indicate?

[Rogachev] The negotiations concerning mutual troop reductions and measures to increase confidence in the border area have been in progress for more than three years now.

From 1992 the form of the negotiations changed—instead of the delegation from the former Soviet Union, a joint delegation from the four CIS member states bordering on the PRC—Kazakhstan, Kyrgyzstan, Russia, and Tajikistan—are now taking part in them.

The negotiations are intensive, with much positive movement. The sides have agreed to complete the drawing up of an agreement by the end of 1994.

[Kosyrev] Is it possible that in the future there will be fundamental differences of interest between the Russian Federation and the PRC (competition over attracting investment, for example). If so, how can we combat this now?

[Rogachev] I am deeply convinced that the vital interests of Russia and China do not fundamentally contradict one another. Mutual economic cooperation is necessary to both sides so that they can carry out internal development tasks.

The idea that the CPSU's departure from the scene has, as is claimed, paved the way for an ideological conflict between Russia and China has gained some currency among Russian current affairs commentators. Nothing could be further from the truth. The historic turning point which has occurred in Russian history has, on the contrary, provided a real basis for taking the ideology out of our relations with the PRC. The question as to who is building socialism "more correctly," which overshadowed our ties for a long time, has been taken off of the agenda.

To be frank, I cannot see any factors which could create fundamental differences between our two countries now. Although it would, of course, hardly be possible to make our interests coincide completely, and it is not possible to set such a task in real politics. It is very likely that there will, for example, be competition between Russian and Chinese goods in the markets of third countries.

As far as attracting foreign capital is concerned, we should not overemphasize its importance. There is no need to seek a reason for "struggle" here out of habit. At the present time our countries' interests do not cross much in this sphere. China to a great extent owes its success in the area of its "open" foreign economic policy to the patriotic attitude of the Chinese diaspora, which could hardly be seriously interested in investment in Russia. We for our part are only taking the first steps toward creating an attractive climate for investment in the Russian Federation for foreign entrepreneurs. If Russia and China "compete" in the development of a market economy and in their integration into world economic network, this will only be to the advantage of both our countries.

Opening of Taiwan Mission in Moscow Welcomed

PM1307105593 Moscow IZVESTIYA in Russian 10 Jul 93 First Edition p 3

[Vladimir Skosyrev report: "Taiwan Opens Mission in Moscow"]

[Text] Taipei—An event which will leave its mark in the history of Russian-Chinese relations is due to take place 12 July. Taiwan will open its own mission in Moscow almost 45 years after relations between the USSR Government and China's Kuomintang government were severed.

Of course, this step will not cause ecstasy in Beijing because it considers Taiwan no more than a PRC province. However, it must be assumed that Moscow took account of China's position. Therefore Taiwan's mission will have an exclusively unofficial status, being modestly called the "Mission in Moscow of the Taipei-Moscow Coordinating Commission for Economic and Cultural Cooperation." Incidentally, the mission could not find its own premises and will be accommodated in the Hotel Metropol for the time being. It will nonetheless be able to issue visas for visits to Taiwan.

As regards the Russian mission in Taipei, neither Foreign Minister Frederick Chien, who was answering my questions, nor his colleagues could give an indication of when it could open. Moscow possibly prefers to wait for the PRC's reaction and then make a move in response. In that case one naturally wonders whether it was worth embarking on such a complex diplomatic game at all?

The reply, in my view, is obvious: It was worth it, if only by virtue of the fact that the island with a population of 20 million has turned into one of the four "Asian tigers" and could potentially become one of our leading trade and economic partners in the region. On account of Taiwan's economic might all the great powers are maintaining unofficial ties with it. Why should Russia be the exception?

But it would be naive to expect immediate benefits from an expansion of contacts with Taipei. I met with Winston Wang, senior vice president of one of the largest industrial companies on the island. He was visiting Moscow but does not see any prospects of investing with us at the moment.

Nevertheless it cannot fail to be taken into account that during the next six years it is Taiwan that is going to be carrying out the world's largest program to reconstruct roads and communal services and to construct a subway. Every year $15-20 billion will be spent on this program.

To win even a small share of these contracts is an enticing and not so unrealizable prospect. The Foreign Ministry cited our "Transstroy" association as an example to me; it has gotten down to business in earnest and set up a joint enterprise in Taiwan. It has, according to my interlocutor, a good chance of beating the competition for contracts.

The opening of a direct air link between Taipei and Moscow is next on the agenda. Talks are being conducted on this subject.

Of course, there are considerable obstacles on the road toward establishing relations. But they are surmountable, although each side has its own interest here. While the economic aspect is of paramount importance to Russia, Taipei is counting on increasing its political weight in the international arena. People here believe that because Russia is a permanent member of the UN Security Council the expansion of contacts with it is extremely opportune. Indeed, this summer Taiwan started a campaign for its return to the United Nations.

Russian Far East Discusses Cooperation With Taiwan

LD1407092393 Moscow ITAR-TASS in English 0907 GMT 14 Jul 93

[By ITAR-TASS correspondent Yevgeniy Lents]

[Text] Vladivostok July 14 TASS—Industrialists and entrepreneurs of the Russian Maritime Territory and Taiwan are holding the first-ever conference here to discuss a mechanism of investments in the economy of the Russian Pacific coast area.

The conference was initiated by a major far eastern association of defence and heavy industrial enterprises and the territorial administration.

Three-day seminars will discuss legal protection of foreign capital and the social and economic situation in the region. The guests will visit several defence enterprises, fish factories, and ports.

The Spasskcement Association is planning to sign a mutually beneficial contract with Taiwan's leading building firm to sell cement which it cannot sell locally. Other enterprises also hope to sign contracts with Taiwan partners in the near future.

Deputy Minister Arrives in Tehran 13 Jul

LD1307201893 Moscow ITAR-TASS in English 2003 GMT 13 Jul 93

[By ITAR-TASS correspondent Oleg Kuzmin]

[Text] Tehran July 13 TASS—Deputy Russian Foreign Minister Georgiy Kunadze arrived in Tehran on Tuesday evening for a working visit.

Kunadze intends to discuss Russo-Iranian relations, the situation in the region and the rest of the world.

According to Kunadze, his visit shows that Moscow is interested in developing relations with the Islamic Republic of Iran.

He admitted that Russian and Iranian standpoints on certain issues did not coincide completely. It is important to specify the degree of coincidence and difference, he told ITAR-TASS.

Touching on concrete issues to be discussed, Kunadze pointed out cooperation in Caspian Sea region. Earlier, Moscow treated the idea rather passively, whereas Tehran displayed more insistence.

"Now it is safe to say that Iran was right in its insistence," the deputy foreign minister said.

During the two-day working visit Kunadze is expected to meet Iranian Foreign Minister 'Ali Akbar Velayati.

Navy Chief Visits Turkey, Meets Defense Minister

LD1307164593 Moscow ITAR-TASS in English 1633 GMT 13 Jul 93

[By ITAR-TASS correspondent Sergey Feyoktistov]

[Text] Ankara July 13 TASS—Turkish Defence Minister Nevzat Ayaz received visiting Admiral Feliks Gromov, commander-in-chief of the Russian Navy, on Tuesday.

The defence minister expressed hope that the two countries would sign an agreement on cooperation in the field of military training and defence industry in the near future.

Gromov came to Turkey at the invitation of his counterpart Vural Beyazit.

He is expected to visit several local military units and establishments and to hold talks with Turkish top-ranking military officials.

Supplies of Gas to Lithuania Resumed

LD1307172293 Moscow Russian Television Network in Russian 1600 GMT 13 Jul 93

[From the "Vesti" newscast]

[Text] Supplies of Russian gas to Lithuania have resumed after a break of two weeks. Lithuania has already paid off one third of its debts for gas, which amount to about $43 million.

Political Issues

Yeltsin Aide Urges Early Decision on Constitution Draft

PM1307152393 Moscow IZVESTIYA in Russian 14 Jul 93 First Edition p 4

[Georgiy Melikyants report: "Adoption of Constitution Should Not Be Postponed to the Fall, Aleksandr Kotenkov, chief of the State Legal Administration, Believes"]

[Text] The indisputable and most important result of the Constitutional Conference, Aleksandr Kotenkov, chief of the president's State Legal Administration, stressed [date, place not specified], was the fact that the country finally has a coordinated draft fundamental law that is ready for adoption.

Needless to say, it is not ideal, since the conference participants were openly seeking compromise, but it is undoubtedly better than the president's initial draft, and incomparably better than the Constitutional Commission's draft that was so long in the making. The common desire has been achieved of creating from the two texts submitted an entirely new text that not only embodies their best points but is 30-percent enriched with new ideas and provisions.

I would particularly draw attention, Aleksandr Kotenkov continued, to the fact that, for instance, the status of Federation components is well elaborated in it. The republics are sovereign states that differ from state-territorial formations—that is, from krays and oblasts—in having their own citizenship and national language. They also have their own constitution, whereas krays and oblasts adopt charters [prinimayut ustav]. As far as everything else is concerned the rights of the components are virtually equal. They all establish their own legal regulation that takes account of their own features but is based on the foundations of federal legislation. This sensible approach to the rights of Federation components makes it pointless for certain regions to attempt arbitrarily to alter their status—by declaring themselves republics, for instance.

It is very important that the agreed Constitutional Conference draft exhaustively pursues the idea of a **united state**. An expedient amount of centralization is defined, while the principles of federalism are fully observed and the range of issues for federal organs is outlined with a high degree of clarity. These are, above all, the economic area, money supply, foreign policy, defense, the fight against crime, and the protection of human rights. These clear boundaries for spheres of joint action make it realistic to demarcate powers and permit issues of the sovereignty of Federation components to be resolved without going beyond federal legislation, and ruling out the very possibility of the state's collapse. The idea that legal regulation as exercised by Federation components does not contravene federal legislation as long as it does not infringe it was no accident. This preserves a certain amount of "elbow room," allowing republics, krays, and oblasts to assume under bilateral agreements the powers which they are capable of exercising under the given circumstances.

This example alone, Aleksandr Kotenkov went on to say, shows the fruitfulness of the Constitutional Conference. The job now is to expedite the ratification of the agreed draft Russian fundamental law. I personally find the president's proposal for both the mechanism and ways of adopting the constitution to be discussed in August too cautious. Why postpone the matter to the fall? A Congress of People's Deputies should be urgently convened—that is the direct and, incidentally, the cheapest way of solving the problem. Admittedly, it cannot be ruled out that attempts may be made to "swamp" the work in a line-by-line discussion of the draft. The next step then would be a referendum on the basis of the president's right of legislative initiative and a demand from one-fifth of the deputies.

But, needless to say, it would be absurd to hold a referendum on three drafts, as R. Khasbulatov is proposing. If only because three drafts no longer exist. But also because the four questions in the April referendum were formulated by the Supreme Soviet, which took the decision to hold it. Whereas a referendum on the Constitution will be held at the president's behest, and the president has in mind a single agreed document—the Constitutional Conference draft.

Report on Government Presidium Meeting in Moscow

LD1307161593

[Editorial Report] Moscow Mayak Radio Network in Russian at 1213 GMT on 13 July broadcasts its "Panorama" program which contains a two and half minute report by observer Valeriy Georgiyev by telephone from the Russian Government's Presidium session, which is under way in Moscow. Reception is good.

Georgiyev begins his report by saying that there are eight items on the agenda, including those "on this year's investment policy, social protection of the population, and the situation with non-budgetary funds. However, the first part of today's sitting was devoted to a different problem, namely the situation around fuel prices, and in particular, coal prices. First Deputy Premier Oleg Soskovets pointed out that following the decision to release coal prices, a number of regions announced an almost eight-fold price increase that will make prices in the coal consuming industries go up and even exceed world prices. This situation, Soskovets noted, contradicts the government's intention to maintain an acceptable level of price growth and may result in mutual transactions between enterprises deteriorating even further.

"Deputy Prime Ministers' Shokhin and Chubays stressed that at present the government faces the task of preventing prices from rocketing and helping both suppliers and consumers to come to an agreement, to conclude a kind of a gentleman's agreement based on a

very simple fact, that a sharp increase in prices will ruin both sides. Such consultations are already under way. However, as it became known today, the government itself can play another and very important role, namely it can carry out its own decisions.

"According to Yuriy Shafranik, Russia's minister for fuel and power engineering, the government has failed to carry out its promise to render support to the coal industry. On the whole, consumers' debt to the fuel and power complex has reached almost 4 billion rubles. It was agreed in the end to prepare documents necessary for tackling these problems."

In conclusion, the observer says that the presidium also discussed a state program for vaccination against some infectious diseases and looked into numerous faults in the work of the Ministry of Social Protection. The correspondent concludes the report by saying that the session is still under way.

Republic Council Adopts Bill on Deputies' Positions

LD1307142193 Moscow ITAR-TASS in English 1232 GMT 13 Jul 93

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow July 13 TASS—The first reading of a bill was adopted at a meeting of the Russian parliament's Council of the Republic on Tuesday [13 July] in the form of an amendment to the Constitution's Article 92.

The bill stipulates that people's deputies of the Russian Federation may not fill the positions of a chairman of the Council of Ministers or deputy chairman, cabinet ministers or directors and deputy directors of state committees, and other government members.

Neither may the deputies work as officials at the administration of the Russian Federation president and other bodies accountable to the president and the government, head embassies abroad or be officials at state-run news media, agencies of the procurator's office, territorial, regional or local administration chiefs or other officials at state agencies, with the exception of representatives power bodies.

The amendment was sponsored by Mikhail Chelnokov and Yuriy Sidorenko, members of the Russian Unity opposition bloc. Substantiating the bill, Chelnokov argued that there is no clear separation of power in the country now. About 150 deputies work with the executive branch of power, the administration of the president and various organisations of presidential power, he said.

The Council of the Republic suggested a draft resolution of the parliament, under which the tabled amendment should be submitted for consideration to the Congress of People's Deputies.

Rutskoy Tells Intelligentsia of Need for Urgent Measures

PM1307153793 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jul 93 First Edition p 2

[Aleksey Vorobyev report: "Europe—Plus. But Russia—Minus?"]

[Text] A routine meeting, attended by Ruslan Khasbulatov, leader of the parliament, and Vice President Aleksandr Rutskoy, was held 8 July with representatives of the Russian creative intelligentsia at Russia's House of the Soviets.

"Although there has been much speculation about the constitutional and political crisis in Russia, they are not the main issue today—it is the loss of control of the state. If we are to try to stop this it is important for us to rely among other things on the opinion of the creative intelligentsia," Ruslan Khasbulatov said.

"By all European yardsticks, what has happened to the country in the past 18 months must be considered a most profound crisis, and measures are urgently needed to extricate the country from that crisis," Aleksandr Rutskoy stated.

The composer V. Ovchinnikov amd the writers M. Antonov and Yu. Bondarev, who spoke next, said that at the present time the intelligentsia have largely lost the ability to get their views across to the people because television—the main channel for the dissemination of information today—is monopolized by certain political forces.

"We have a program called 'Europe Plus,' but what we have is Russia Minus," it was said during the conversation.

Government Officials' Activities Reported

PM1307142393 Moscow ROSSIYSKIYE VESTI in Russian 10 Jul 93 p 1

[Unattributed report under "Executive Branch: Monitoring" rubric: "Meetings, Talks, Conferences"]

[Text] The head of the government, Viktor Chernomyrdin, is on a working visit to Murmansk. He visited Severomorsk to examine the problems of the Northern Fleet.

First Vice Premier Oleg Lobov has received French Ambassador Pierre Morel and has also held talks with an FRG delegation. The first vice premier's day ended at the Supreme Soviet.

First Vice Premier Oleg Soskovets chaired a conference on the payments situation as regards enterprises of the national economy, including enterprises of the CIS countries. The problem of reciprocal payments was discussed.

First Vice Premier Vladimir Shumeyko and Vice Premier Anatoliy Chubays are enjoying the last days of their vacation. They return to work 12 July.

Vice Premier Boris Fedorov has been at the G-7 meeting in Tokyo. He is a member of the Russian delegation.

Vice Premier Sergey Shakray flew from Samara, where the "Greater Volga" Association of Economic Cooperation has been held, to Abakan, where the "Siberian Agreement" conference is taking place.

Vice Premier Aleksandr Shokhin participated in a working conference on the preparation of the forthcoming talks with Mongolia on trade and economic cooperation. Then he took part in a conference on the problems of the Nizhneangarsk Fuel Industry Complex.

Vice Premier Yuriy Yarov has had a packed work schedule. He chaired a conference devoted to social problems. Then Yuriy Yarov participated in a session in the Kremlin of the working group for preparing the draft Constitution. The vice premier also met Vladimir Kuramin, chairman of the Russian Federation Committee for the Social and Economic Development of the North, who reported on the delivery of goods to the Far North. The vice premier's day concluded with a conference of group leaders chaired by Sergey Filatov.

Rumyantsev Comments on Social-Democratic Center

MK1307115093 Moscow KOMMERSANT-DAILY in Russian 13 Jul 93 p 4

[Mariya Surskaya report in "Oleg Rumyantsev's Press Conference" column: "Social-Democratic Center Joins Centrists Coalition"]

[Text] Oleg Rumyantsev, chairman of the Russian Social Democratic Center, Russian people's deputy, and secretary of the constitutional commission, held a press conference on 10 July in which the Russian Social-Democratic Center's decision to join the Coalition of Civic Forces was announced. At the same time, the Center would remain a left-of-center organization.

Virtually every existing party, movement, and organization today announces its affiliation with the political center. "The wish of Gavriil Popov and Sergey Shakhray to assert themselves as right centrists suggests that many will be seeking to do the same in an effort to improve their image," Oleg Rumyantsev said. Nonetheless, a genuine political center, in his opinion, has effectively collapsed. One proof of this, according to Rumyantsev, is the fact that the centrist Smena coalition has supported the candidacy of Vladimir Ispravnikov, who is in the opposition, and not Oleg Rumyantsev to the post of chairman of the Russian Supreme Soviet's legislative committee.

Rumyantsev sees the role of a social democratic center in Russia in becoming a link between left-of-center and right-of-center organizations, since otherwise "they will move apart and there will be no political center in Russia at all." It is with this aim in mind that the social democrats have joined the Coalition of Civic Forces formed by Civic Union. Collaboration with the Free Russia People's Party, the Labor Party, and the Socialist Workers Party, according to Rumyantsev, is necessary in order to form federation- wide election lists: "The law on elections must be so devised that small parties should have no possibility of contesting elections on their own. Otherwise the multiparty principle loses all meaning." Rumyantsev supposes that elections should be held not earlier than November 1994 and therefore the Congress of People's Deputies should adopt the constitution in the first reading in November 1993 and in the second reading in March 1994. "Otherwise the country will be threatened with the disintegration of the Russian Federation and an explosion of the constitutional legal space."

In Rumyantsev's opinion, the draft fundamental law currently considered by the constitutional conference virtually duplicates the draft of the constitutional commission, but the congress may not adopt it simply because it is highly negative of anything coming from the Kremlin: The very idea of calling the conference has sharpened confrontation between the two branches of government. Oleg Rumyantsev also expressed his misgiving over that fact that the constitutional conference is laying claim to the status of a permanent legislative body, and this could "shatter the constitutional power bodies."

Observer Warns Against 'Republicanization'

PM1307131993 Moscow KRASNAYA ZVEZDA in Russian 10 Jul 93 p 2

[Observer Aleksandr Golts article under "Topic of the Week" rubric: "The Rake Is the Chief Tool of Knowledge in Russia"]

[Text] It seems that the leaders of the G-7, who are currently discussing with Boris Yeltsin further plans to aid the Russian reforms, could once again be too late. This time because, by the time these plans start to be realized with the usual lack of haste, the Russian Federation itself might not exist in the form in which it exists now. I am talking of the wave of "republicanization" which is rolling over our oblasts. The Ural, Vologda, and Maritime [Primorskaya] Republics have already declared themselves (the latter with reservations, it is true), and next in line are the Chita and South Ural (Chelyabinsk) Republics.... Knowing the age-old Russian desire to keep up with the neighbors, I can forecast that this process will gallop across our endless expanses.

Here we should not take seriously the statements by those who are aiming for the presidency on territories "equal to four Frances" that they have no intention of breaking up Russia. Everything they are saying today can be read in the fairly yellowed newspapers for 1991. In articles demonstrating that the "Novo-Ogarevo process"

was the only means of saving the Union. They contained the whole range of arguments of the present fighters for oblast sovereignization. Arguments about the need for regional autonomy. About the need to eliminate the unfair redistribution of incomes. And, of course, references to the people's expression of their will (without mentioning here that the results had been obtained in the form of replies to very cunningly worded questions).

But sovereignization ended in the breakup of a great country. There is evidently some line which a state crosses and then heads inexorably for disintegration. Now, finally, in the economy, in security, and in ordinary, everyday life we are reaping the fruits of what happened. But even this is not enough for some people. Ours is precisely that country where the rake, on which you have to tread at least twice, is the chief—if not the only—tool for grasping the laws of economics and politics.

So, we have once again raised our foot to tread on the rake of "sovereignization." There is still some space of time (albeit very short) left until the inevitable consequences of this step. Let us try to break the tradition. Let us try to think just what will happen as a result of forming several dozen republics even before we all get hit on the forehead.

Some people might see the "republicanization" of the oblasts as an apt response to the clearly excessive sovereignization of our former autonomous entities. I am prepared to agree that the components of the Federation cannot have different rights. It seems, however, that a totally wrong way to eliminate these contradictions has been chosen.

It would be naive to believe that national republics would agree to their sovereignty, secured with such difficulty, being dissolved in the sovereignties of "ordinary" oblasts. The swift reaction of the leaders of Tatarstan and Bashkortostan demonstrates this. They could perfectly well block the work of the Constitutional Conference, either by walking out of it or by taking a tougher stand. Either way, they will try to secure still greater rights even than those they have now. Than the rights that are already, in point of fact, turning Russia into a confederation. The next step is complete exclusivity. Is this in Russian interests?

This is as regards the immediate political consequences of "republicanization." Now about the longer term. It is well known to what extent the Russian oblasts are interconnected economically. And, at the same time, how narrowly specialized their infrastructure is. This means that raw materials or a group of commodities produced by some will be sold under market conditions. But their neighbors will not have this opportunity. Add to this the inevitable differences in legislation and in the rules of economic regulation. This is a basis for very serious contradictions. Consequently, customs, local "currencies," and duties will multiply like mushrooms after the rain. The result will be a breaking off or weakening of economic ties.

From there it is just a stone's throw to "hot" conflicts. Who said that oblast borders in the Russian Federation are less disputed than borders between the former union republics? It would be all right if these disputes were peaceful. Finally, where are the guarantees that the dividing up will be confined to oblasts? We were born to turn any absurdity into reality. The more economically developed rayons will certainly want to detach themselves.

I do not doubt that all this is understood perfectly well by those who have undertaken this dangerous game. But it is no coincidence that it is being played right now. For the privatization process is already under way, albeit creakingly and with zigzags. The time is not far off when there will be very few enterprises left which are directed from Moscow or the oblast center. Firms that are simply independent will emerge. Their relations both with the central power and with the oblast or rayon power will be based exclusively on the deduction of taxes. That is all. In other respects private firms will organize their activity the way they deem necessary.

This is unacceptable to certain Moscow officials, who, by their attempts to interfere and to dictate, have to a considerable degree actually provoked separatist sentiments in oblasts. But the same thing is feared by their provincial colleagues. Economic power is going, and with it also the opportunity to get rich at the expense of one's fellow citizens.

It is very significant that the creation of republics is being campaigned for precisely where only recently people were trying their hardest to slow up the privatization process. Not because they were against it in principle. Because they were afraid of losing their place at the feeding trough. But now, with the introduction of their own legislation and the creation of their own bureaucracy, officials will, in point of fact, be free to do whatever they like with the people's property.

So, as a result of "republicanization," Russia could find itself on the verge of collapse. Oblast chiefs will get presidential seats and ministerial portfolios, and supreme soviets will emerge instead of oblast soviets. More importantly, there will be the possibility of continuing to control land, industry, etc. All other citizens will get a set of emblems, flags, anthems, and constitutions. And, into the bargain, a further lowering of living standards, customs barriers, new borders, and border conflicts.

So maybe we will not tread on the rake a second time?

'Danger' Seen in Regions' Bids for Republic Status

PM1307140793 Moscow ROSSIYSKIYE VESTI in Russian 10 Jul 93 p 1

[Article by Otto Latsis under the "Politics" rubric: "'The Oblasts Have No Grounds for Becoming Republics,' Current Affairs Writer Otto Latsis Believes"]

[Text] I take a negative view of the process of raising the status of oblasts to the level of republics—be it the Urals, Maritime Kray, or Vologda Oblast. And I am sure that

these oblasts will not break away and become republics, because there are no grounds for doing so.

First of all, a republic is a state. Thus for the autonomy of our former republics within Russia rights such as a state language and their own constitutions were recognized. Hence it is clear enough that "future" republics can have nothing of the kind. The very fact that the question can be raised means that these criteria cannot be applied to oblasts. However, I see the problem not in raising the status of oblasts, but in the fact that behind this lies a reluctance to recognize to any degree any special rights whatsoever for republics having their own titular nation. This is dangerous thoughtlessness and shortsightedness.

The fact that republics are proclaimed in Yekaterinburg and Vologda does not create danger from Yekaterinburg and Vologda. It creates danger from Kazan, Ufa, Yakutsk, Groznyy, and so forth. And a very serious threat at that, one which only shortsighted politicians could underestimate.

This phenomenon, viz. the nonrecognition of certain special rights for peoples represented by republics, is a serious threat to Russia's integrity.

Moreover, I see no grounds for a failure to recognize this. After all, every people should have their own rights, if only the opportunity to try to preserve their language. And it is necessary for the senior nation (I think that we can talk that way) to demonstrate attention to this problem, which is painful for all other nations.

Communist Party Presidium Members' Functions Listed

PM1307135593 Moscow SOVETSKAYA ROSSIYA in Russian 10 Jul 93 p 3

[Unattributed report: "Central Executive Committee Presidium Assignments"—published as part of "Pravda Rossii (Truth from Russia) Special Supplement No. 1, prepared in conjunction with the Communist Party of the Russian Federation Central Executive Committee"]

[Text] In order to resolve political and organizational questions in the period between plenums a Central Executive Committee Presidium of 15 people has been elected in line with the Rules of the Communist Party of the Russian Federation.

Duties covering the main areas of the party's practical activity and the implementation of the decisions of the Second Extraordinary Congress have been distributed among the members of the Presidium. Presidium members, as a rule, head Central Executive Committee commissions or coordinate regional councils of republic, kray, and oblast committee chairmen:

G.A. Zyuganov, chairman of the Central Executive Committee, is in charge of questions of the party's political work;

V.A. Kuptsov, first deputy chairman of the Central Executive Committee and chairman of the Organizational Commission, is responsible for general questions of internal party life, the coordination of territorial party organizations, and financial, economic, and legal questions;

Yu.P. Belov, deputy chairman of the Central Executive Committee and chairman of the Ideological Commission, is to oversee questions of the party's ideological activity;

S.P. Goryacheva, deputy chairman of the Central Executive Committee and chairman of the Commission for Work Among Women, is in charge of questions of the party's collaboration with women's organizations;

I.P. Rybkin, deputy chairman of the Central Executive Committee and chairman of the Commission for Work With Soviets, is to coordinate the party's work with deputies and soviets at all levels;

V.I. Zorkaltsev, deputy chairman of the Central Executive Committee and chairman of the Commission for Links with Political Parties and Social Movements, is responsible for the party's collaboration with other parties, above all those of a communist and socialist orientation, and links with the Union of Communist Parties-CPSU, and the Communist Parties of the USSR republics;

I.I. Melnikov, chairman of the Commission for Work Among Young People, is responsible for the party's work with youth organizations and students;

G.V. Kostin, chairman of the Commission for Socioeconomic Policy, is responsible for elaborating and implementing the party's economic policy and the party's collaboration with economic leaders and the workers' movement;

V.A. Koptyug is responsible for the party's collaboration with the scientific intelligentsia;

M.S. Surkov, deputy chairman of the financial commission, is responsible for the party's work among former servicemen and security and internal affairs personnel, and for dealing with the party's financial problems;

A.A. Shabanov is to coordinate the party's work with the Social Committee for the Defense of the Constitution and Constitutional Order;

M.I. Lapshin is to oversee questions of the party's agrarian policy and links with the peasantry;

K.A. Tsiku is chairman of the Communist Party of the Russian Federation Adygey SSR [Soviet Socialist Republic] Republic Executive Committee;

V.I. Nikitin is chairman of the Communist Party of the Russian Federation Republic of Bashkortostan Republic Executive Committee;

A.V. Ionov is to coordinate the party's work with workers and the trade union movement.

Over 1 Million People Seeking Jobs as of 1 Jun

PM1307134193 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 93 First Edition p 3

[Untitled RIA NOVOSTI report under the general heading "State Committee for Statistics Reports" under the "Yesterday, Today, and Tomorrow" rubric]

[Text] The State Committee for Statistics has stated that as of 1 June in Russia 1,069,900 nonworking citizens seeking employment were registered with the organs of the employment service. Some 740,500 had unemployed status, and 60.7 percent of those unemployed were in receipt of unemployment benefit.

Sixty-eight percent of the registered unemployed are women. One in five unemployed people lives in rural localities. One in three is aged under 30. Some 890,800 able-bodied unemployed citizens approached the Russian employment service between January and May. Some 333,500 unemployed people have been placed in work since the beginning of the year, of whom 23 percent were placed within 10 days of being registered. Some 601,700 were given unemployed status, and 38,100 unemployed people took early retirement.

During the first five months of this year 31,700 nonworking citizens underwent vocational training via the employment service, and 16,200 were placed in employment after completing it. Since the beginning of the year the number of workers required for work, as stated by enterprises to the employment service, has increased almost 1.5 times. On 1 June it was 442,400 people. However, there are 24 unemployed people per 10 vacancies in Russia as a whole.

According to State Committee for Statistics figures, there is also underemployment in Russia. In the first quarter of the current year, the worktime of almost 3 million Russian workers was not fully utilized. Of these people 1,900,000 were sent on additional unpaid or partially paid leave on the initiative of the enterprise administrations, and 990,000 workers were forced to work less than a full day.

Yeltsin Edict Curbs Business Trips Abroad

PM1307155993 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 93 First Edition p 5

[Edict of the Russian President "On Business Trips Abroad by Officials of the Central Federal Organs of Executive Power" dated Moscow, The Kremlin, 2 July 1993 and signed by President Yeltsin]

[Text] With the aim of intensifying the battle against corruption, I resolve:

1. To prohibit official trips abroad by officials and senior executives of the central federal organs of executive power, as well as by leaders and officials of the Russian Federation Presidential Administration and the Apparatus of the Council of Ministers/Russian Federation Government, either at the expense of their hosts or of enterprises, establishments, organizations, or citizens.

To establish that this ban does not extend to official trips abroad by the aforementioned persons which are being undertaken in accordance with international Russian Federation treaties or by mutual agreement between the corresponding bodies of the Russian Federation and foreign states.

2. To recommend that those persons referred to in Point 1 of this Decree do not leave the Russian Federation on personal business at the expense of their hosts or of enterprises, establishments, organizations, or citizens.

3. The Russian Federation Ministry of Security should monitor more closely persons referred to in Point 1 of this Decree leaving the Russian Federation on personal business who possess information constituting a state secret.

[Signed] President of the Russian Federation B. Yeltsin

[Dated] Moscow, The Kremlin

2 July 1993

No.981

Zaveryukha Appointed Head of New Agricultural Policy Council

LD1307164893 Moscow Russian Television Network in Russian 1600 GMT 13 Jul 93

[From the "Vesti" newscast]

[Text] Russian Prime Minister Viktor Chernomyrdin has signed a decision on setting up a Council on Agricultural Policy under the Russian Government. Deputy Premier Aleksandr Zaveryukha has been appointed chairman of the council.

Economic Issues

Cabinet, Parliament Prepare for 27-28 Jul Economic Conference

MK1307105093 Moscow KOMMERSANT-DAILY in Russian 13 Jul 93 p 2

[Viktor Serov, Dmitriy Kamin report in "Authorities Getting Ready for All-Russia Conference" column: "Politicians May Remember About Economics"]

[Text] A joint decree by the Russian Government and the Supreme Soviet adopted yesterday sets the All-Russia Economic Conference for 27 and 28 July 1993. All power structures are making vigorous preparations for this event, which, in KOMMERSANT-DAILY experts' opinion, could clarify the economic and cadre

positions of the Cabinet of Ministers and the parliament, and also make some corrections in them.

At present both the executive and the legislative branches are seeking to win the support of the regions. Yesterday, while Viktor Chernomyrdin conferred on economic matters with heads of administrations, parliament speaker Ruslan Khasbulatov met with chairmen of federation components' soviets. During the meeting the speaker and soviets' representatives discussed the government's economic policy. In contrast to the premier, however, Ruslan Khasbulatov laid stress not on summing up the progress of the economic reform over the last six months, but on holding in the near future an all-Russia economic conference, whose foundation, according to the speaker, should be made up by proposals from the regions to adjust the economic course. Obviously, the federation components for their part will submit for discussion at the conference such matters as reduction of the tax burden, increasing the regions' share in the revenues of Russia's consolidated budget, and also increased subsidies from the center to the regions and to particular industries. At the same time the Council of Ministers will hardly be able to accommodate these demands owing to the threat of the budget deficit's growing to a critical level. In this event, parliament, based on the demands of local authorities and using the charges of corruption recently leveled against the government, could, in exchange for compromise, demand from the prime minister cadre reshuffles in the cabinet and a reduction in the political dependence of Council of Ministers members.

The parliament's readiness for decisive action was yesterday confirmed by the Supreme Soviet Presidium, which set the all-Russia conference for 27 and 28 July. The joint statement by the Supreme Soviet and the Council of Ministers contains a list of organizing committee members representing a wide spectrum of various economic views. The composition of the organizing committee makes it possible to predict some features of the upcoming struggle for authority in the eyes of the regions between the government and parliament already at the preparatory stage.

Thus, cabinet representatives headed by Vice Premier Boris Fedorov, appointed cochairman of the organizing committee, will apparently have to face serious charges from the parliamentary enterprise directors' lobby on the absence of a coherent economic strategy. The absence of such a strategy was confirmed at yesterday's conference in the government, and this fact will undoubtedly be stressed by organizing committee members Alvin Yeremin, chairman of the Supreme Soviet's committee on industry and energy; and Yuriy Gekht, chairman of the Industrial Union faction. Moreover, the position of Anatoliy Chubays, who also is in the organizing committee, will be confronted with the position of Vladimir Mazayev, chairman of the parliamentary economic reform committee, who intends to step up legal oversight of the privatization process.

It is more noteworthy, however, the way these contradictions will be interlinked during the conference with the problem of adjusting the budget in favor of the regions, around which issue the main struggle has unfolded between the cabinet and parliament. Presumably, the cabinet's ability to propose more or less clear-cut priorities in industry financing could give it reason to insist on its right to control a more substantial part of the budget. At the same time, the position of the parliamentary bloc has fair chances of being supported by the federation components, if, in addition to the promises to give them greater independence, the parliament will submit constructive proposals on stabilizing the economy.

In this context a key role could be played by deputy speaker Vladimir Ispravnikov, who has also been appointed cochair of the conference organizing committee. Ispravnikov has repeatedly stressed that he sees his task in coordinating the positions of parliament and the government in the area of economic transformations. Moreover, KOMMERSANT-DAILY experts believe, he intends to use the support of banking circles. This possibility is corroborated by the fact that recently the deputy speaker has held a number of important meetings with bankers, including a 6 July meeting with the participation of Sergey Yegorov, president of the Russian Banks Association (see KOMMERSANT-DAILY of 7 July), whose results it was decided to use in the work of the all-Russia economic conference. Should he get the bankers' support, it will enable Ispravnikov, who oversees the Supreme Economic Council and the Commission on Economic Reform in parliament, to make adjustments in the positions of both parliament and the government, which is not at all interested in a conflict with financial circles. As for the position of the banks, it will apparently be conditioned by the concrete actions of the Supreme Soviet in the sphere of banking legislation.

Observers point out that the main outcome of the conference could be a change in cadre policy toward attracting professional economists to the upper echelons of power. In addition, parliament will possibly use the conference as a dress rehearsal for the "economic" congress of deputies scheduled for September. In view of this it is most likely that in contrast to the past three months, when the Russian authorities concentrated their efforts exclusively on dealing with political problems, the next six months will be primarily devoted to economic matters.

Roundtable Coordinator on Economic Accord Declaration

PM1307123193 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jul 93 First Edition p 5

[Interview with Anatoliy Milyukov, coordinator of the Roundtable Conference Drafting Group, by Vitaliy Kovalenko; place and date not given: "Compromise is Not a Cause for Fuss"]

[Text] Opening the criticism of Yegor Gaydar's government at the beginning of last year, Ruslan Khasbulatov's main argument was the thesis that the reforms being conducted have nothing to do with the creation of a socially oriented economy. This sparked a storm of indignation from the reformers, who categorically refused to link a social orientation to the market. Or to recognize the role of the state. The "Declaration of National Economic Accord," the final document of the roundtable conference, contains both these provisions. The formation of an "effective market economy—a competitive, socially oriented, mixed economy based on a diversity of forms of ownership and management" is regarded as the aim of the reform. The efforts to achieve this should be based "not just on the use of market methods but also the active transforming role of the state." The 80 people who signed the Declaration include not only Yuriy Voronin, Valentin Agafonov, and Vladimir Ispravnikov, deputy chairmen of the Supreme Soviet, but also Vice Premiers Oleg Lobov, Boris Fedorov, and Aleksandr Shokhin. In the past few days other representatives of the president's team have expressed a desire to put their signature to the document.

[Milyukov] The main factor prompting us all to reach compromise was life itself. As early as the middle of last year it was obvious to the majority of economists that the unthinking release of prices had merely fueled inflation, and reliance on monetarist methods had led to numerous enterprise stoppages. But when whole sectors began to disintegrate and newly converted plants began to collapse, Gaydar himself recognized that mistakes had been made.

The second powerful factor was the more objective study of foreign experience. Help came from Western experts, who were frankly bewildered by the refusal in principle to use the machinery of the state in the economic transformation. Especially in our conditions, when the majority of enterprises are still under state ownership.

Finally, there is the youth of the reformers and thus their ability to learn, including from their own mistakes.

[Kovalenko] To the best of my knowledge, however, Boris Fedorov objected to the term "socially oriented economy" right till the very last moment.

[Milyukov] Yes, he believes that any economy must be socially oriented. And in principle this is right. But in our specific conditions it is fundamentally important to present this provision in the form of an aim. So as to measure each decision against it—to see how it affects people's situation. It needed a most serious discussion to convince the vice premier of that. But that is the main merit and main strength of the roundtable conference. Everyone there is entitled not only to express his own viewpoint but also to expect everyone else to listen to it.

[Kovalenko] But what if they do not want to?

[Milyukov] Then it is necessary to seek compromise. At the last session, for example, Mikhail Lapshin really slated us for backing down in the face of the representatives of the executive and expressing in milder form the demand to ensure intersectoral price parities. So what happened? We took the criticism and agreed that the next session of the roundtable will be dedicated especially to agrarian questions so that the very serious problems troubling Lapshin could be examined with all their ramifications.

[Kovalenko] But as a result of such concessions, and there were many of them, especially regarding currency regulation and the management of state enterprises, the wording loses specificity and the Declaration becomes more of a political document than an economic one.

[Milyukov] I disagree. The Declaration and the work of the roundtable itself are based on economic programs for the reform of the country. But there were a great many of them and this caused confusion in society: Some parties and movements demanded virtually a return to the socialist planned economy, others the opposite—a return to 19th century capitalism, while still others proposed a middle course... This was the fertile soil for the start of the political confrontation which is diverting the best forces in society from immediate economic work. Incidentally, the roundtable cited this among the three main factors which caused the present state of crisis in the country.

But when we got to grips with these programs we discovered to our amazement that 70 percent of their authors are talking about one and the same thing. In other words there is more than enough scope for the healthy forces to be able to unite on the things where they agree and on that basis resolve the contradictions that exist. This is also the formula which was included in the Declaration as the main conclusion: "The crisis can be overcome only on a platform of Russia-wide accord, observance of the principles of social partnership, and precise definition of Russia's state aims and interests and of its specific characteristics in the reform process."

Yes, undoubtedly this is a political task because it demands an answer to the question: Whither the country? I am far from thinking that the roundtable answered that question. It will take the efforts of scientists and the specific practice of the transformations to fully answer that. But we have achieved the basic accord and a new direction of movement. This fact is hard to dispute because this is surely the first time since the reform began that we have achieved a basis for coordinated economic actions.

[Kovalenko] Anatoliy Illarionovich, the roundtable conference is after all a social structure and thus its recommendations are not binding by nature. How do you see the transition from the Declaration to direct implementation?

[Milyukov] This question is one of the most complex and it cropped up as soon as the Seventh Congress of People's Deputies instructed the Supreme Soviet and the government to organize the work of the roundtable. Foreign experience—whether from Spain or Mexico—

had to be discarded straight away: They have three to five major parties there which, having agreed among themselves, were really able to express the political will of society, whereas in our country there are more than 100 different parties and movements... That is why we opted for a different plan: The Supreme Soviet and the government invited around 30 eminent scientists and 50 representatives of the power structures, parties, and movements to the roundtable. But the door remains open here to anyone who wants to join, and the roundtable itself is going to adopt a decision on whom to accept and whom to exclude. Within six months its composition has increased by 30 people. The Russian Bourgeois-Democratic Party, the Consolidation Party, the Revival Party, and many others have joined in the work. I should like to stress that the influx has come from both ends of the spectrum: For example, Dmitriy Maley, the president's adviser, and Viktor Aksyuchits have become roundtable members...

[Kovalenko] But whom have you excluded?

[Milyukov] No one yet, but a number of representatives of the president's team have left.

[Kovalenko] Who precisely?

[Milyukov] I do not want to name names because the majority of them have now declared their desire to return. This is very important. I am deeply convinced that the roundtable's real work has not ended with the signing of the Declaration, but that it is in essence only just beginning. It is planned to operate at two levels: There is an accord that the Supreme Soviet and the government will adopt a joint decree aimed at the practical implementation of the Declaration, while we in turn will create seven working groups—one for each of the agreements in preparation. By following a parallel course they should elaborate compromises or, in other words, specific mechanisms which remove the contradictions which have built up in our economy.

Central Bank Makes 'Titanic Efforts' To Stop Dollar Rate Falling

PM1307182193 Moscow IZVESTIYA in Russian 14 Jul 93 First Edition p 4

[Ivan Zhagel report: "Central Bank Attempting To Support Dollar"]

[Text] However paradoxical it may sound, the Central Bank of Russia is currently making simply titanic efforts to prevent any wholesale fall in the dollar rate on the foreign exchanges.

The Monday 12 July auctions at the Moscow Interbank Currency Exchange were very instructive in this respect. $88,660,000 was offered for sale that day, but there were preliminary bids for just $62,500,000. Had the auctions been conducted without interference from the Bank of Russia, the substantial gap between these two figures would have led to what would have been a record fall for the dollar in recent times. But, after the dollar fell from 1,045 rubles [R] to R1,039, the Central Bank simply bought up the supply overhang—an amount, as can easily be calculated, of approximately $26 million.

Moreover, if you bear in mind that the preliminary bids included money from the Bank of Russia, the real amount of currency that it bought 12 July was around $30-40 million. And that amount was bought in just a single day!

Roughly the same situation occurred on Tuesday 13 July. As soon as the dollar fell from R1,039 to R1,036, the Central Bank bought up the supply overhang in the market. Admittedly, this time the amount was less than on Monday, but, taking account of its preliminary bids, the Bank of Russia bought up around $20 million.

Of course, such action by the Central Bank may seem rather strange, but it should not be forgotten that our economy suffers seriously not only from sharp declines in the ruble rate, but from sharp surges in it as well. This primarily affects our major exporters who, when they go to the marketplace to sell the foreign currency they have earned for their products, find that they receive far fewer rubles than they had expected.

For instance, even at the dollar's current market rate, foreign currency prices for VAZ automobiles translated into rubles are lower than the ruble prices for the same vehicles. And, were the dollar to fall further, this gap would increase. This would mean that exports would cease to be profitable, which could affect the inflow of money into the country.

When talking about the Central Bank's actions, we cannot disregard the fact that there is a certain speculative element to the dollar's current fall which should be eliminated. Although, apart from preventing the dollar from falling sharply, the Bank of Russia is taking more and more decisions to strengthen the ruble. The latest step in this direction could be to allow nonresidents access to the domestic foreign-exchange market—that is, foreign banks and companies would be permitted to sell their foreign exchange for rubles. According to the information available, a corresponding document is already on the Central Bank chairman's desk and will be signed in the next few days—which could sharply increase the inflow of foreign exchange into the country.

World Bank To Lend Russia $1.37 Billion in 1993

PM1307130393 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 93 First Edition p 3

[Report from INTERFAX and RIA NOVOSTI roundup under the "Yesterday, Today, and Tomorrow" rubric: "Debts Mount"]

[Text] The World Bank has granted Russia four loans totaling $1,370 million for fiscal 1993.

A World Bank official stated this to Russian participants at an international conference on coordinating aid for environmental protection in the Russian Federation. In August 1992 a loan of $600 million was granted to get Russia back on its feet, then later approximately $90 million were granted to support privatization. Around $70 million were also channeled into implementing an employment and social protection program for the people. The largest loan to implement a single project in the entire history of the World Bank amounts to $610 million. This sum will be channeled into aiding the West Siberian oil complex.

Government Discusses Enhancing State Role in Industry

LD1307192693 Moscow ITAR-TASS in English 1910 GMT 13 Jul 93

[By BUSINESS-TASS]

[Text] Moscow July 13 TASS—The Russian government is discussing the problem of correcting the strategy of economic reform in order to increase the role of the state in industrial production, according to First Deputy Economics Minister Aleksandr Troshin.

Addressing leaders of Russian economic bodies he blamed the government of former prime minister Yegor Gaydar for easing state management of economy. "A major reason of the negative effect of economic reform on industrial production in 1992 was the loss of instruments of active state influence on production, relaxation of (state) management of economy and wrong ideas about self- regulation", he said.

Troshin said that the Economics Ministry has submitted a lawbill to the government on "indicative planning and forecasting of social- economic development".

The lawbill creates a system of indicators which will characterise the state of economy and determine the necessary measures of state influence in order to reach the fixed parametres, he explained.

Troshin, however, said that the lawbill is no attempt to restore totalitarian system of management and added the document "only fixes certain market economy limits for the work of enterprises which are fully independent in their industrial and commercial activities".

The indicators will characterise the dynamics and efficiency of economy, the state of finances, money circulation, the market of goods and securities, prices, employment, living standards and other factors.

FITUR Issues Economic Demands to Government

PM1307152593 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jul 93 First Edition p 5

[Aleksandr Golyayev report under the "Trade Unions" rubric: "Harsh But Fair"]

[Text] The collective action coordinating committee of the Federation of Independent Trade Unions of Russia [FITUR] has told the Russian Federation Council of Ministers-Government to examine the following demands:

1. To adopt measures within the framework of the economy's structural rebuilding to ensure that enterprises' viability is maintained by changing the system of taxation, credit, and mutual settlements;

2. To eliminate arrears in the payment of wages and compensate for losses according to the level of inflation for the period of delay. To ensure that edicts and other legislative acts concerning wages and social protection are carried out. To increase the minimum wage from the beginning of the third quarter of this year at least three times over and to index it in the future;

3. To submit to the Russian Federation Supreme Soviet before 10 June draft laws on the minimum living wage, on labor remuneration, and on the battle against corruption;

4. To ensure the state regulation of prices of energy resources and a limited number of foodstuffs: bread and bread and flour products, dairy products (milk, kefir, and cottage cheese), medicines, services (travel on public transport and rent).

FITUR has formed a commission for negotiations in accordance with current legislation. In the event of the negotiations being unsatisfactory, FITUR's collective action coordinating committee will begin preparing collective protest actions.

Atomic Energy Minister Hits Performance of Finance, Economy

PM1307151193 Moscow ROSSIYSKIYE VESTI in Russian 10 Jul 93 p 1

[Article by Atomic Energy Minister Viktor Mikhaylov under "Minister Has His Say" rubric: "'If the Ministry of Finance and Ministry of the Economy "Rule the Roost" We Will Be Left Without a Dime,' Viktor Mikhaylov, Russian Federation Minister of Atomic Energy, Believes"]

[Text] I can undoubtedly name as one of the present government's achievements the fact that it has managed to examine and ratify a number of significant projects and programs, such as the conversion program for defense enterprises, the program for the ecological revival of Russia, and several others.

For me, overseeing as I do so important a sector as the atomic sector, the conversion program is of most interest. The program adopted incorporates 5-10 years' forward planning, which undoubtedly ensures stability in the implementation of conversion.

As for mistakes and shortcomings in the government's work, above all they lie in the fact that the financial and economic situation in the country has been entirely

"farmed out" to two ministries—the Ministry of Finance and the Ministry of the Economy—which have proved themselves not up to performing such tasks.

Take our sector, for example. In the first six months of the year we received only 30 percent of the appropriations approved for us. "Thanks" to this a crisis situation has developed in the sector. And above all this has been reflected in such major national centers as Arzamas-16 and Chelyabinsk-70. As a result only today have wages been paid to the center's employees for April and May; and as for June's wages, they are "in a state of suspension."

If such a policy continues and these ministries carry on "ruling the roost," by the end of the year we could be left without a dime. And, the way things are developing, the government is knowingly heading for such a situation.

Supreme Soviet

Parliament Views Budget, Media Privatization 8 Jul

PM1407092593 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jul 93 First Edition p 1

[Aleksey Vorobyev report under the rubric "Sixth Supreme Soviet Session" and the general heading: "There Will Be Money for Culture"]

[Text] At the evening session 8 July the results of the long and keen debate on the revised budget for 1993 were summarized by the Supreme Soviet chairman. He noted that this document hardly needs to be returned to the government for further work. What is needed is to work on it directly within the White House and invite government experts there.

R. Khasbulatov said that the essential condition of giving the draft its first reading is the complete preservation of budget expenditure on education, health care, culture, and science, and the gradual easing of the tax burden on commodity producers, the solution of questions of subsidizing agriculture, the coal industry, and certain other sectors, the elimination of politically motivated discrimination in the distribution of appropriations to the regions, and a 20-percent reduction in the cost of maintaining the official apparatus.

In addition, he proposed that a special reserve fund of approximately 100 billion rubles be created under the auspices of the Supreme Soviet to support any sectors and regions in the crisis period.

Then there was an examination of the government's draft addenda to the Law "On excise duties." A. Pochinok, who spoke on behalf of the Commission for the budget, plans, taxes, and prices, proposed that this draft be rejected because it proposes extending excise duty to furniture, automobile spares, freezers, televisions, and radio receivers. The raising of prices for these goods could affect the interests of the bulk of the country's population and in the commission's opinion that is unacceptable. In an attempt to somehow protect the well-being of Russia's citizens parliament rejected this draft.

Deputies adopted the decree "On preventing the reorganization, elimination, and privatization of state television and radio companies and state news agencies."

V. Yugin, who presented the draft, said that it is necessary to guard against the attempts of certain Kremlin politicians to disorganize and take control of various TV and radio editorial offices and services with a view to establishing a rigid censorship there. Criminal privatization is especially intolerable in the state broadcasting service. Parliamentarians expressed no doubts about the need for such a decree prior to the adoption of the law on television and radio broadcasting.

Adopts Decree on Media

PM1307121593 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jul 93 First Edition p 2

[Supreme Soviet Decree No. 5344-1 dated 8 July 1993 "On Preventing the Reorganization, Elimination, or Privatization of the State Television and Radio Companies and the State News Agencies"]

[Text] The Russian Federation Supreme Soviet **decrees** that:

1. Until the adoption of a Russian Federation law on television and radio broadcasting and the ratification of the state program for the privatization of state and municipal enterprises in the Russian Federation for 1993, the reorganization, elimination, or privatization of state television and radio companies financed from the Russian Federation republic budget, their structural subunits under the jurisdiction of the aforementioned television and radio companies, enterprises, organizations, or of state news agencies are not permitted.

2. The Russian Federation Supreme Soviet Committee on the Mass Media is to accelerate the elaboration of a draft Russian Federation law on television and radio broadcasting and its submission for examination by the Russian Federation Supreme Soviet.

3. The present decree enters into force from the moment of its publication.

[Signed] R.I. Khasbulatov, chairman of the Russian Federation Supreme Soviet

[Dated] The House of the Russian Soviets, Moscow

8 July 1993

Resolution No. 5344-1

Central Bank Chairman Addresses 9 Jul Session

PM1307154393 Moscow ROSSIYSKAYA GAZETA in Russian 10 Jul 93 First Edition p 1

[Aleksandr Gerashchenko report under the rubric "Sixth Supreme Soviet Session" and the general heading: "There Will Be Money for Culture"]

[Text] The question of finance was at the center of legislators' attention at yesterday's sitting of the Supreme Soviet. There was a report from the Central Bank of Russia delivered by the bank's chairman V. Gerashchenko. In his short speech and then in answers to questions, which took up quite a lot of time, the Central Bank chairman gave deputies a detailed report on the results of the independent audit of the bank for 1992 and on measures taken to improve credit and finance circulation in settlements with CIS countries.

Dealing in particular with the problem of delays in payments between enterprises, V. Gerashchenko noted that the situation has improved considerably now. Last year's situation must not be repeated. The reluctance of Western investors to actively put their resources into the Russian economy is due first and foremost to the fact that until we settle the foreign debt we can hardly expect them to do otherwise. The Central Bank cannot set a fixed rate of the ruble to the dollar because of inflationary processes and also because this is contrary to the recommendations of the IMF. However, the work to stabilize the exchange rate goes on constantly.

Positive changes in the activity of the Central Bank were also noted in the report of A. Pochinok, chairman of the parliamentary commission for the budget, plans, taxes, and prices. However, there is still much to be done in a number of areas, he said. Serious comments were addressed to the Central Bank leadership by some deputies. Parliament approved the Central Bank's report. It was decided to return to the examination of credit and financial problems in the fall.

There was another important question on yesterday's agenda—the status of the city of Sevastopol.

Khasbulatov Signs Decree on Sevastopol Status

PM1307141993 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jul 93 First Edition p 1

[Supreme Soviet decree No. 5359-1 "On the Status of the City of Sevastopol"]

[Text] The Russian Federation Supreme Soviet, having examined the question of the status of the city of Sevastopol in accordance with the instructions of the Seventh Congress of Russian Federation People's Deputies, decrees:

1. The Russian federal status of the city of Sevastopol within the administrative-territorial boundaries of the city district as of December 1991 is to be confirmed.

2. The Russian Federation Council of Ministers-Government is to draw up as quickly as possible a state program to ensure the status of the city of Sevastopol, giving the corresponding instructions to ministries and departments; to hold talks with the Ukrainian Government on the city of Sevastopol as the chief base of the unified Black Sea Fleet. The Russian delegation at the talks is to include Russian People's Deputies Yu.M. Voronin, Ye.A. Ambartsumov, Ye.K. Pudovkin, G.V. Sayenko, A.G. Selivanov, R.Z. Chebotarevskiy, and V.A. Yugin from the Russian Federation Supreme Soviet.

3. The Central Bank of Russia is to make provision for funding the corresponding subheads in the budget of the city of Sevastopol through its own branches.

4. The Russian Federation Supreme Soviet Committee on Constitutional Legislation is to prepare a Russian Federation draft law on enshrining the federal status of the city of Sevastopol in the Russian Federation Constitution.

5. With a view to preventing political tension, the Ukrainian Government is to be asked to recall the subunits of special units which have been transferred to the region of the city of Sevastopol.

[Signed] R.I. Khasbulatov, chairman of the Russian Federation Supreme Soviet

[Dated] 9 July 1993

Deputies Accept Khasbulatov Ideas for Amending Budget

PM1307184393 Moscow IZVESTIYA in Russian 10 Jul 93 First Edition p 2

[Irina Demchenko report: "Russian Parliament Decides To Draw Up Budget Itself To Spite Finance Ministry..."]

[Text] Ruslan Khasbulatov, speaker of the Russian parliament, has proposed that a Supreme Soviet reserve fund of 100 billion rubles [R] be set up. This proposal was made during a discussion of the practice of subsidizing the local budgets of some Russian regions from other regions' profits.

Stressing that hitherto the government has issued grants to territories (and noting in passing the political effectiveness of this kind of influence), the chairman of parliament stated: "We need such an instrument in order to solve territories' problems as well." The proposal was adopted, and evidently the deputies' decision was particularly influenced by the speaker's vague report that "so-called party money, which is in fact CEMA money, which is coming to us here for the purposes of an ideological war" has been discovered in certain foreign banks. Thus, the ideological struggle between the federal executive and legislative branches for influence over the

regions and their leaderships has received material support. Curiously enough, military expenditure on both sides is now subsidized from the same state treasury.

Despite the absence of the finance minister, who is at the G-7 meeting in Tokyo, Khasbulatov called on parliament to autonomously finalize and adopt the budget next week "without the Finance Ministry." Here an allusion was made to the inclination, typical of all countries' executive branches, to deceive and to distort the state income and expenditure figures.

An undoubted defect of the draft state budget submitted by the government to parliament is its traditionality. According to Deputy Finance Minister Sergey Dubinin, the government simply failed, as was proposed (and as is enshrined in legislation), to allocate territories from the consolidated budget at least 50 percent of their income for them to handle autonomously. However, it is obvious that the territories will not wait for next year, as the Finance Ministry is urging: Even now, without prior arrangement, Tatarstan and Bashkortostan are simply not transferring resources into the federal budget, the Komi Republic is keeping approximately 70-75 percent of its income, and Karelia and Sakha (Yakutia) are "funneling" money through the federal budget and receiving, respectively, around 90 and over 100 percent of their income back. The corresponding claims of a number of oblasts are well known. This is not innocuous: Let me recall that it was the budget war between regions (republics) and the center that was the beginning of the end of the Soviet Union.

Khasbulatov proposed a few ideas, which without discussion the deputies agreed to insert in the revised budget now being prepared by parliament. The first concerned a ban on raising any taxes on producers, including indirect taxes. Immediately after this parliament rejected the government's proposal to introduce duties on certain consumer goods, including all furniture, fourth-generation televisions, the most sophisticated radio receivers, freezers, and some others. According to Dubinin this rejection will reduce the budget's calculated income element by R98 billion.

The speaker's other proposals approved by the Supreme Soviet include a declaration of the inviolability of expenditure on science, education, and culture, which the government intended to cut, and a refusal to deregulate coal prices while simultaneously subsidizing the coal industry. As a special treat parliament ecstatically supported the idea of reducing expenditure on maintaining the executive branch's administrative personnel by 20 percent. There are too many officials, the speaker said, and nobody is controlling it—everybody is busy with the constitution.

Presidium Proceedings for 12 Jul Reported

PM1307153193 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jul 93 First Edition p 1

[Parliamentary Press Service report: "Russian Federation Supreme Soviet Presidium"]

[Text] A routine session of the Russian Federation Supreme Soviet Presidium was held in the House of Soviets 12 July under the chairmanship of Ruslan Khasbulatov.

In their decree, after listening to information from Bryansk Oblast Soviet Chairman V. Sidorenko on funding for the State Program To Eliminate the Aftermath of the Chernobyl Disaster in Bryansk Oblast, the Presidium members made an unsatisfactory assessment of this process and decided to hear the question at the next session sitting of parliament.

Drafts of the following legislative acts were examined in accordance with parliamentary procedure and sent to the chambers' standing commissions, the Supreme Soviet committees, the Russian Federation president, and other subjects of legislative initiative for their conclusions:

—the Russian Federation laws "On Making Changes and Additions to the RSFSR Law 'On Some Questions of the Legal Regulation of the Activities of Kray and Oblast Soviets of People's Deputies'"; "On Television and Radio Broadcasting in the Russian Federation"; "On Making Changes to Article 42 of the Russian Federation Law 'On the Mass Media'"; "On the Size of Pensions Fixed in Connection With Underground Work and Work Under Harmful Working Conditions and in Hot Shops"; "On Making Additions to the Russian Federation Law 'On the Kray and Oblast Soviet of People's Deputies and the Kray and Oblast Administration'"; "On Making Changes to the Russian Federation Law 'On Internal Troops of the Russian Federation Ministry of Internal Affairs'"; "On Control Over the Activities of Special Services of the Russian Federation"; "On Making Changes and Additions to the Russian Federation Tax System";

—the Supreme Soviet decree "On the Instructions of the Sixth and Seventh Congresses of Russian Federation People's Deputies for Utilizing Part of the Assets of the Russian Federation Pension Fund";

—and also the Russian Federation Fundamentals of Legislation on the Administrative-Territorial Structure of Krays, Oblasts, the Autonomous Oblast, Autonomous Okrugs, and the Cities of Moscow and St. Petersburg; the Unified State Program to Protect the Russian Federation's Population from the Effect of the Consequences of the Chernobyl Disaster During 1992-1995 and the Period Through the Year 2000; the Russian Federation Fundamentals of Legislation on Hunting and the Hunting Economy; the Concept of Legal Backup for the Use of Atomic Energy; the Russian Federation Fundamentals of Legislation on

Tourism; the State Program for Providing Servicemen, Persons Transferred to the Reserve, Employees of Internal Affairs Organs, and Also Members of Their Families With Housing in 1993-1995.

The Russian Supreme Soviet Presidium decree approves of the results of the talks between the delegations of the Supreme Soviets of the Russian Federation and the Republic of Belarus which took place in Moscow 28 June 1993. It was stated, in particular, during the discussion of this question that the sides in the talks noted the friendly nature of bilateral relations, expressed mutual interest in further developing them and in broadening cooperation between the parliaments of Russia and Belarus, and confirmed their intentions to help galvanize the activity of the Interparliamentary Assembly of the CIS countries.

Other questions of the republic's state life were also examined at the Presidium session.

Regional Affairs

Regions To Bar 'Miracle' Ratification of Constitution

MK1307103093 Moscow SEGODNYA in Russian No. 33, 13 Jul 93 (Signed to Press 12 Jul) p 2

[Vladimir Todres commentary under "Interests" rubric: "Local Soviets Wish To Ratify Constitution. And They Want To Take Their Time Over It"]

[Text] Boris Yeltsin's plans to have the new constitution passed quickly but legitimately (without resorting to extreme measures) are apparently not destined to materialize.

Heads of some 70 kray, oblast, and republic soviets, who gathered Monday in Ruslan Khasbulatov's office, agreed without long debate: Even after coordination in the Kremlin the new draft constitution must be ratified by a soviet session in each of the Federation's 88 components. As Viktor Stepanov, chairman of the Supreme Soviet of Karelia, stated after the meeting, "neither I nor my colleagues from the other regions have the powers to ink anything here without discussion in our soviets."

In the meantime local lawmakers in the majority of regions have already gone on summer vacation. Therefore, even if a miracle were to happen, and none of the 88 soviets resist the president's innovations, this miracle would not come about until October at the very earliest.

Especially given that the pursuit by krays and oblasts of the privileges of former autonomies will now simply move to the local level. Viktor Ignatenko, chairman of the Irkutsk Oblast Soviet, says that "the Russian provinces" do not intend to agree with the privileged position of "ethnic entities" recorded in the draft. "We are ready to leave them the attributes of statehood: a state language, citizenship, the emblem, the flag, and the anthem. As for the powers, they must be equal to all."

Sergey Shakhray's innovation—an article on a possible conclusion of bilateral treaties with the center on additional powers—could have been a compromise solution some two months ago. Now, according to Ignatenko, the oblasts insist that "even exceptional powers must be equal to all. Generally, devolution of power must proceed only from bottom to top. Not the other way around."

The republics are counterattacking in their turn. "Only the "Russian" krays and oblasts will be responsible for Russia's possible disintegration," Ramazan Abdulatipov, speaker of the Soviet of Nationalities, stated at the meeting with Khasbulatov.

For a compromise to be reached both sides lack the main thing: the wish to do so. Indeed, why stop shaking a tree from which more and more plums are falling?

Novosibirsk Refuses To Initial New Constitution

LD1407090893 Moscow ITAR-TASS in English 0705 GMT 14 Jul 93

[By ITAR-TASS correspondent Viktor Yelmakov]

[Text] Novosibirsk July 14 TASS—The Constitutional Assembly "has not lived up to expectations" and there is no point in prolonging its work, according to Vitaliy Mukha, chief of the administration of the Novosibirsk region, Siberia.

Mukha, who was speaking at a press conference here today, told reporters that he had refused to initial the final version of the new Constitution in accordance with a decision of the Regional Council which stipulated that the regional leader would be empowered to initial the draft only after it has been discussed and approved by a council session.

Mukha said around 40 other territories did the same.

As regards federal authorities, Mukha objected strongly to constitutional provisions which give advantages to the president over the parliament although the Constitution proclaims the equality of all branches of power.

Kaliningrad Questions Constitution's Regional Policy

LD1407093193 Moscow ITAR-TASS in English 0810 GMT 14 Jul 93

[By ITAR-TASS correspondent Valeriy Biryukov]

[Text] Kaliningrad July 14 TASS—In a race to gain more independence and new rights ahead of the adoption of a new Russian constitution, a number of Russian regions have announced their intention to change status and become republics within the Russian Federation, "if the centre lacks normal understanding of their problems and specifics".

One such region is Russian enclave on the Baltic Sea - Kaliningrad. The leader of its regional council Yuriy Semenov addressed a briefing here to say that the territory cut off from Russia may seek a new status for itself unless the centre shows more understanding of its specific difficulties.

Semenov said the new constitution's focal point is the equality of the subjects of the Russian Federation, which is being interpreted differently at present. This is why Semenov stressed the need to convene a meeting of the leaders of republics, regions and areas to work out a mutually acceptable formula.

The former, national principle of forming the federation served more to disunite the country than to keep it together - hence the "parade of sovereignties" in which a number of Russian regions have proclaimed themselves republics.

Speaking about the new constitution as a whole, Semenov said "we must adopt a constitution which will suit the entire country and not any one political group of wing".

Regional Radio, TV Centers Carry Out 'Warning Strike'

LD1307122393 Moscow ITAR-TASS World Service in Russian 1050 GMT 13 Jul 93

[By ITAR-TASS correspondent Vladimir Yegorov]

[Text] Moscow, 13 Jul (TASS)—A number of collectives of radio and TV transmitting centers of Saint Petersburg and of Murmansk, Archangel, Kalinin, and Vologda Oblasts and Karelia and some other regions have decided to carry out a warning strike today to close their technical facilities down from 1900 to 2000 Moscow Time [1500 to 1600 GMT].

The communications workers understand the inadmissibility of stopping broadcasts of state mass information media, an ITAR-TASS correspondent was told by Anatoliy Nazeykin, chairman of the Central Committee of the Russian Federation Communications Workers' Trade Union. However, they are dissatisfied with only the partial financing of the industry, which does not solve the majority of social-economic problems and which does not reduce the tension in labor collectives.

In the event their demands are not fulfilled, Anatoliy Nazeykin noted, the collectives of the radio and TV transmitting centers, radio communications, and radio broadcasts reserve the right to carry out a stoppage of technical facilities on 27 July because "their normal use is not possible." This in turn "will lead to irreversible processes—the breakdown of the information space of Russia and the infringement of guarantees of the security of the population in emergency situations," the trade union leader emphasized.

Pacific Fleet Warships To Protect China Sea Shipping

PM1307173993 Moscow KRASNAYA ZVEZDA in Russian 14 Jul 93 p 1

[Andrey Gavrilenko report: "Pacific Fleet Ships To Protect Shipping From Pirates"]

[Text] Vladivostok—An agreement on this was reached at a joint conference of representatives of the Pacific Fleet, the Far East Border District, and shipping companies.

Rear Admiral Valeriy Ryazantsev, the Pacific Fleet's deputy commander for combat training, announced that the large ASW [antisubmarine warface] vessels Admiral Panteleyev and Petropavlovsk, and the training ship Borodino will be on combat alert in the South China and East China Seas. Only one question still remains unresolved—who will pay for the sailors' extra spending on fuel and food during their long voyage?

Officer on Protecting Shipping

OW1307142793 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 13 Jul 93

[Interview with an unidentified officer from the Pacific Fleet Press Center by an unidentified correspondent in Vladivostok; date not given; from the "Pacific Ocean" program—recorded]

[Text] As our listeners will recall, we recently informed you that the Pacific Fleet had allocated one fast, well-armed ship for round-the-clock combat duty to protect Russian ships from pirate attacks. Has it justified the hopes of the fishermen? Has it protected them? The Pacific Ocean editorial staff approached the Pacific Fleet Press Center for an explanation.

[Begin recording] [Officer] At 6 o'clock [AM or PM not specified] Khabarovsk time on 6 July, the fleet operations duty officer received a message from the motor vessel Valeriy Volkov of the Far East Shipping Company that it had been subjected to an attack by a PRC border patrol boat in the East China Sea. No operational assistance was rendered in this instance because the nearest Pacific Fleet naval or auxiliary ship was several days sailing distance from the Volkov's position. There was simply no sense in sending anyone, because it would have been too late anyway.

[Correspondent] What operational area is this vessel capable of covering?

[Officer] At least the area of the Sea of Japan; however, the northern part of the East China Sea is another matter. It would take a minimum of two or three days, sailing at maximum speed, for the ship to reach that area from Vladivostok. There was no other naval or auxiliary vessel in the area at the time to render operational assistance to the Volkov.

[Correspondent] In general, all of these so-called pirate escapades occur in the East China Sea or the Yellow Sea as a rule. Are our ships capable of controlling these two areas, or should we perhaps organize patrol duty in those areas of the sea?

[Officer] This issue, for all intents and purposes of course, is tied to logistic and technical support. First of all, to place a vessel on combat duty, for example in the Korean Straits, or to just simply patrol between these two seas in the area of the East China Sea and so forth, we need the necessary fuel. Regrettably, we have very little of this for the fleet.

[Correspondent] This perhaps would be useful training in the conduct of combat duty, or training for the Pacific Fleet sailors anyway—there is a training program, is there not?

[Officer] Of course there is a program; however, when the program was formulated it was not foreseen that the Chinese, with whom we want so much to be friends, would attack our ships so often. Also, it is at a time when a high-ranking Chinese delegation is being welcomed on board our ships so open-heartedly, while at the same time they are worrying our compatriots in the East China Sea. This is purely an Asian [word indistinct].

[Correspondent] Is it completely certain, at least on recent occasions, that the vessels that attack our ships are PRC combat border vessels?

[Officer] That is right. The latest information says it was a combat vessel; however, on previous occasions there were no recognition signs at all. It was not clear whether they were some kind of Chinese racketeers or someone else; however, they were definitely Chinese. There are all kinds of Chinese—from PRC, from Taiwan—isn't that right?

[Correspondent] Let us hope that this problem will be resolved by the conference between the Pacific Fleet command and the fishing enterprises concerned. Somehow they might find a solution, perhaps by supplying fuel, money, or some other way.

[Officer] The issue was being decided at the conference and obviously they are wealthier organizations, they earn money. The fleet, on the other hand, is dependent on the state budget subsidy. Therefore, if they give the fleet some assistance then it is prepared to allocate a force for this industry. It is planned that all of this will finally be adopted at the second conference. [end recording]

Fleet Lacks Funds To Buy Fuel, Food, Lubricants

OW1307145393 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 9 Jul 93

[From the "Pacific Ocean" Program]

[Text] Another problem has descended on the Russian Pacific Fleet—insufficient centralized financial support. The shortage of money has brought about a situation wherein the fleet has no means to purchase food, fuel, and lubricants. For instance, money has not been transferred to the oil refinery plants which supply their products to the fleet, consequently delivery of winter supplies to remote garrisons located along the shores remains in question. No less than 1.5 billion rubles is required just for the purchase of food.

Cash Shortage Leaves Sailors Without Pay

PM1307125193 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 93 First Edition p 3

[Report from INTERFAX and RIA NOVOSTI roundup under the "Yesterday, Today, and Tomorrow" rubric: "Sailors Left Without Pay"]

[Text] The Pacific Fleet command has stated its intention to appeal to the Russian Government in connection with the very grave financial situation in which sailors and their families find themselves today.

As reported at the Pacific Fleet press center, because only 2 percent of the fleet's cash requirements were met in June, payment of servicemen's wages and allowances has been suspended indefinitely. The existing funds were only sufficient to pay for leave taken outside the Far East and urgent temporary assignments. Purchases of fuel and food have been disrupted. But the Pacific Fleet leadership thinks that the main danger lies in the fact that this situation has developed at precisely that time when it is necessary to think about the cold winter period. After all, one of the causes of the tragic events on Russkiy island [where servicemen starved to death] was actually the late financing of work to prepare for winter.

Northern Fleet Tightens Up Performance But Lacks Money

PM1307120593 Moscow KRASNAYA ZVEZDA in Russian 7 Jul 93 p 1

[Vladimir Gundarov report under the "From Our Newsdesk" rubric: "Criticisms Righted, as Long as No Expenditure Required"]

[Text] Severomorsk—This was the conclusion of an inspection of the Northern Fleet carried out under the leadership of Colonel General Georgiy Kondratyev, Russian Federation deputy defense minister.

Eighty percent of the criticisms made in March by Army General Pavel Grachev, Russian defense minister, during his visit to the Northern Fleet have been dealt with. At the same time the Northern Fleet needs at least 110 billion rubles to ensure ship repairs and winter preparations and to resolve other problems, including social welfare problems, whereas it has only around 1 billion available. As a result, according to Vice Admiral Yuriy Ustimenko, first deputy commander of the Northern Fleet, only 8 percent of the winter preparation schedule, for example, has been fulfilled.

Chernomyrdin To Seek 'Additional Funding'

PM1307124593 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 9 Jul 93

[Video report by Natalya Chernyshova, Valeriy Anuchin, and Valeriy Menshov from Severomorsk; from the "Novosti" newscast]

[Text] [Russian Prime Minister] Viktor Chernomyrdin spent this working day with the Northern Fleet. He inspected several warships. Aboard the nuclear cruiser Admiral Ushakov, he held a conference with the Murmansk Oblast Administration, leaders of major enterprises, and navy personnel. Here in Severomorsk, in particular, the question has arisen of salvaging old warships. Some have sunk off the shores of the Kola Peninsula, where they are hindering navigation and polluting the environment. Others are rusting away on shore. The navy men also raised the issue of where to store spent nuclear fuel from nuclear submarines. Two viewpoints—civilian and military—were heard on the question of funding. Thus major enterprises such as the Lenigorskiy and Kavdorskiy ore-mining and processing combines and the Apatit association find themselves on the brink of closure. There is no money for fuel supplies. Practically no work is being done to modernize the enterprises. The seamen also stressed that ships and vessels are getting old, but new ones are not being built. In his concluding speech, the prime minister stressed that investors must be attracted into this sphere urgently: not necessarily foreign investors, but from CIS countries. Viktor Chernomyrdin said that he would instruct the relevant services to analyze the possibility of additional funding.

Severodvinsk Submarine Plant's Conversion Plans Viewed

PM1407103193 Moscow IZVESTIYA in Russian 13 Jul 93 First Edition p 4

[Report by Sergey Leskov: "They Are Building Submarines in Severodvinsk but Thinking of Developing Sea Shelf"]

[Text] Severodvinsk—The multipurpose nuclear submarine Tigr has been launched in Severodvinsk (it belongs to the Russian "Bars" series or according to NATO classification the "Shark" series). This success has been achieved by the utmost exertion of the sector, which is experiencing even greater difficulties than other areas of the defense industry.

During the cold war the USSR produced up to 10 nuclear submarines a year at four plants. Now the military submarines are produced only by the "Sevmashpredpriyatiye" production association in Severodvinsk. If you consider that since the collapse of the USSR up to 60 percent of Russia's nuclear shield consists of the capacities of the submarine fleet then the launching of each nuclear submarine becomes an event.

The number of nuclear submarines now being launched by Russia is a state secret and not stipulated by international agreements. But it is known that in 1993 the United States plans to produce two Los Angeles submarines which, in the opinion of Rear Admiral V. Bocharov are 20-30 percent inferior to our Tigr in terms of reliability and arms.

During his visit to Korea in December 1992 the Russian president said that Russia will no longer build nuclear submarines. And although that statement has been taken back there is only the launch of the Tigr to confirm that Russia's nuclear fleet is still being increased. And it is not surprising that on the day of the launch Russian Prime Minister V. Chernomyrdin and the leaders of many departments arrived in Severodvinsk. The cooperation of over 2,000 enterprises is needed to produce one modern nuclear submarine. One of the main questions of the conference was the maintenance of the potential of the shipbuilding sector, which includes about 200 enterprises. Last year 30 percent of its capacities after the collapse of the USSR remained outside Russia and defense orders were reduced by a further one third as a result of conversion. Over the year 44,000 people have left the shipbuilding sector—more than any other sector of the defense industry.

"In addition to 'defense' orders the 'Sevmash' could fulfill virtually any civilian order," Prime Minister V. Chernomyrdin said in an exclusive interview with IZVESTIYA. "Its capacities could be used to develop the sea shelf, to install sea gas and oil rigs and various complicated equipment. It is no accident that this enterprise joined the 'Rosshelf' firm to develop the Shtokmanovskiy gas deposit in the Barents Sea. We must deal as rapidly as possible with the scientific feasibility study for the project and the funds required for its implementation will not be particularly large. But, of course, a large enterprise like 'Sevmash' needs a clear program for 10 years ahead. The government will agree on it in the very near future."

Severodvinsk and the enormous 'Sevmash' territory are a kind of ideological reserve where an incredible number of busts of Lenin and other visual agitation has been preserved and Rutskoy's expose articles are pinned to the stands. The formation of joint-stock companies and other revolutionary ideas are seen here almost as subversion, yet the regime of secrecy has been taken to absurd lengths. Nonetheless it is this enterprise which could become the first successful example of conversion in the country.

The structure of the defense industry is geared not toward the series production of cheap and competitive goods but toward large state orders, be they in the military or the civilian field. Today the plans of the "Rosshelf" joint-stock company for the extraction of gas on the Barents Sea shelf is for the military-industrial complex virtually the only worthy opportunity for applying its efforts. The controlling block of shares in "Rosshelf" belongs to "Gazprom." But 'Sevmash' is also

not the least of the owners—it has 12 percent. The plant's general director, D. Pashayev, said that about 30-40 percent of the enterprise's capacities could be channeled into fulfilling orders for "Rosshelf." Incidentally, the idea of "Rosshelf" was born at 'Sevmash' after the collapse of work which had already been begun on oil deposits in Sakhalin. The defense industry men bypassed by Western firms decided no longer to pin their hopes on outside invitations but to develop their own projects.

But there is a danger that while matters reach production the reduction of defense orders could lead to an irreversible decline in production capacities and outflow of skilled workers. Contracts with foreign partners could help them survive the five-year period before they acquire an order for a rig and drilling equipment. Right now 'Sevmash' is producing barges and hulls for tugboats which, of course, is "rough," very simple work for an enterprise with these skills. Director D. Pashayev explains that he categorically refuses to take bigger orders (80,000-tonne tankers, bulk carriers with a capacity of 40,000 tonnes) from abroad because in any case they will be below the level of 'Sevmash.' As for complex high-tech Western orders, to put it simply the reason for the lack of such orders lies elsewhere: The Russian shipbuilders do not have international certificates or the opportunity to ensure servicing for the ships they have produced.

Difficulties with integration into the market economy have led to the point where 'Sevmash,' for all its undoubted supremacy in terms of its personnel's qualifications, today ranks 17th in Severodvinsk in terms of its wages level. It is hard to imagine a Western enterprise which in such a situation would be fastidious about money which flows into its pocket by itself. Time will show whether the plant leadership was right to reject a bird in the hand in the hope of finding two in the bush.

The Tigr which has been launched will spend a few months more at the test dock in Severodvinsk. Around the single new ship are dozens of nuclear submarines which must be scrapped and recycled [utilizovany]. Some of them came under international agreements, some are obsolete. In any case even after the sale of equipment and materials the state loses about 0.5 billion rubles on each submarine. By the year 2000 Russia must scrap about 150 submarines—real ruin. Given the lack of technologies and the shortage of production capacities the recycling of the entire fleet of submarines launched during the cold war years threatens to become the sector's main problem, which could cancel out the possibility of building new ships.

Defense Sector Cities Renamed; Stay Closed

PM1307150293 Moscow IZVESTIYA in Russian 10 Jul 93 First Edition p 2

[ITAR-TASS report from "From Our Correspondents and News Agencies" column: "Cities Change Names But Remain Closed"]

[Text] Two new cities—Ozersk and Snezhinsk—have appeared on the map of Chelyabinsk Oblast.

The decision to approve their names and status in place of the former Chelyabinsk-65 and Chelyabinsk-70 was adopted at an inner soviet session in the oblast center. These cities remain closed, as before, since they are mainly populated by employees of Russia's most important defense facilities—the "Mayak" chemical combine and the Russian Federal Nuclear Center.

N. Caucasus Military District Commander Profiled

PM1407102993 Moscow KRASNAYA ZVEZDA in Russian 13 Jul 93 p 1

[Russian Federation Defense Ministry press center report: "New North Caucasus Military District Commander Appointed"]

[Text] Colonel General Aleksey Nikolayevich Mityukhin has been appointed commander of the North Caucasus Military District by a 29 June 1993 edict of the Russian Federation president.

Col. Gen. A.N. Mityukhin was born in 1945 in the village of Vladimirskiy, Kurkinskiy Rayon, Tula Oblast. He began his military service in 1962 as a student at the Omsk Tank Technical School. He has been commander of a regiment, division, and corps and an army commander. In 1991 he became first deputy commander in chief of the Western Group of Forces. He is a graduate of the Armored Forces Military Academy and General Staff Military Academy.

Russians Under Fire in N. Ossetia on Eve of Terek Meeting

LD1307130393 Moscow ITAR-TASS World Service in Russian 1220 GMT 13 Jul 93

[By ITAR-TASS correspondent Mikhail Shvetsov]

[Text] Moscow, 13 Jul—The situation remains difficult in the state of emergency zone on the territory of North Ossetia and Ingushetia. The lack of specific accords on dealing with the problems of refugees and people forced to relocate within the framework of the Kislovodsk agreements and the failure to resolve issues concerning disarming illegal armed formations and confiscating weapons from the public and concerning finding hostages and those who have gone missing are provoking more and more crimes. Shooting incidents at Russian posts in the state of emergency zone are becoming more and more frequent.

The ITAR-TASS correspondent was told today at the provisional administration that in the past 48 hours alone, unidentified persons had opened automatic weapons fire on Russian posts in the area of the settlements of Chermen, Tarskoye, and Kartsa in the Prigorodnyy rayon of North Ossetia. A private in the internal

troops of the Russian Interior Ministry was wounded during a shooting on one post on 11 July.

Preparations continue at the headquarters of the provisional administration for a regular sitting of the tripartite mixed commission in the town of Terek. In accordance with the agreements reached at the previous session, members of the mixed commission, under the chairmanship of Viktor Polyanichko, head of the provisional administration, are planning to go on 15-16 July to the villages of Chermen and Kartsa in Prigorodnyy rayon for a follow-up study of the issues concerning the possibility of Ossetians and Ingush living together.

Dudayev Denies Claim Chechnya Has No Armed Forces

LD1307125693 Moscow Russian Television Network in Russian 1000 GMT 13 Jul 93

[From the "Vesti" newscast]

[Excerpt] Surrounded by a big retinue and many journalists, Chechen President Dzhokhar Dudayev arrived at the Dinamo stadium to attend an exam in physical training for the presidential berets and the students of the military college. Speaking to journalists, Dzhokhar Dudayev denied assertions made by certain military officials that there was no such thing as Chechen armed forces. They do exist, or to be more precise, they are rapidly being set up. At present, the structure of the Armed Forces of the Chechen Republic already includes a mountain-infantry regiment, an air squadron, presidential guards, a special-purpose regiment, and also the Shalinskiy tank regiment. [passage omitted]

Conference on Abkhazia, Caucasus Opens Near Sochi

LD1307143493 Moscow ITAR-TASS World Service in Russian 1350 GMT 13 Jul 93

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi, 13 Jul—A conference on the problems of the North Caucasus region began today in the Dagomys Hotel complex. It is being attended by the leaders of the republics of the North Caucasus, Stavropol, Krasnodar krays, and Rostov Oblast. Representatives of the Russian Government—Deputy Prime Minister Sergey Shakhray, Security Minister Viktor Barannikov, Foreign Minister Andrey Kozyrev, and Deputy Foreign Minister Boris Pastukhov—have also come to the meeting in Sochi.

The conference began behind closed doors, and press representatives were not admitted to the conference hall.

Representatives of the Russian-speaking population of Abkhazia, who had come from Gudauta, picketed outside the entrance to the Dagomys complex before the start of the conference. They demanded that the border between Russia and Abkhazia not be closed.

Shokhin Arrives in Krasnoyarsk To Consider Problems

LD1407052593 Moscow ITAR-TASS in English 0427 GMT 14 Jul 93

[By ITAR-TASS correspondent Yuriy Khots]

[Text] Krasnoyarsk July 14 TASS—Russian Vice-Premier Aleksandr Shokhin arrived here on Wednesday. In response to journalists' questions at the airport, he said the principal aim of the visit is to consider a series of problems connected with the development of the Near-Angara areas.

Such complex problems, he said, must be addressed on the spot. Therefore, the vice-premier intends to visit the Boguchany hydropower station which is under construction and tour industrial enterprises in the region.

Shokhin will also attend a Russo-Mongolian intergovernmental commission session which will be held here.

Siberian Accord Seeks Action on Economy

PM1407091393 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jul 93 First Edition pp 1-2

[Unattributed report under "Region" rubric: "Siberia Warns Moscow"]

[Text] The session of the "Siberian Accord" Interregional Association [SAIA] Council held in Sayanogorsk last Friday and Saturday aroused heightened interest. The previous day certain mass media had expressed misgivings lest the association's leaders intended to follow Vologda, the Urals, and Maritime Kray by announcing the creation of their own, Siberian Republic.

Vitaliy Mukha, chairman of the SAIA Council and head of the Novosibirsk Oblast Administration, and other council members gave an assurance that Siberian Accord, on the contrary, seeks to strengthen consolidation and enhance stability in the Russian Federation. Given the present huge federal budget deficit, Siberia cannot count on major centralized investments. It must rely only on its own forces and resources and, without assigning itself to any particular territory, it is prepared to lend its powerful shoulders to support the Russian economy.

The greatest attention was attracted to the report on the results of the recent All-Russia Conference on the Economic Development of Siberia, held in Novosibirsk. This was particularly so because a government delegation headed by Vice Premier Sergey Shakhray had entered the sessions hall by the start of this report, which was delivered by Academician Valentin Koptyug, chairman of the presidium of the Siberian Branch of the Russian Academy of Sciences. The main speaker pointed out that the "Siberia" scientific superprogram, which had been on the point of sinking into oblivion, has been resuscitated through the endeavors of the SAIA. It is designed to promote the elaboration of the strategy and

tactics of Siberia's development under reform conditions. Unfortunately, the academician emphasized, reform is leading at present to destruction. In his opinion, a situation is possible in which Russia will no longer be able to get to its feet. The Novosibirsk conference suggested that the Supreme Soviet and government proclaim Siberia a sphere of priority state interests and draw up a corresponding regional policy.

Naturally the academician could not omit to touch on one of the most acute political problems—the disagreements between the center and the territories caused by the economic inequality of different components of the Federation. Equality of rights is necessary in order to preserve Russia's integrity. The conference participants simply see no other option.

Sergey Shakhray also spoke and answered numerous questions from the Siberians. Then they decided to hold a closed session.

The fog of secrecy lifted somewhat when a Siberian Accord statement addressed to the president, the Supreme Soviet, and the Russian Federation Government was read out at the concluding session. It states:

"We members of the SAIA Council, leaders of representative and executive authorities in the republics, krays, oblasts, and autonomous okrugs of Siberia, are extremely concerned at the new spiral of sovereignization, which will inevitably lead to the Russia's destruction as an integral state.

"We consider the main causes of this to be as follows:

"1. The further deepening of the crisis of statehood, as expressed, above all, in the violation of the Constitution and laws of the Russian Federation by the president, the government, the Supreme Soviet, and the Congress of Russian People's Deputies.

"2. The lack of specific steps to ensure a legislative basis for realizing the Federation Treaty, and systematic violations of it by federal organs.

"3. Attempts to resolve complex questions of the state's federative structure by endowing individual components of the Federation with additional advantages and privileges to the detriment of other components of the Federation.

"4. The lack of a system of inevitable punishment for violations of legislation.

"5. The deepening of the processes of financial and economic crisis in the country.

"Attempts to resolve the problems and contradictions connected with this by accelerating the constitutional process, only exacerbate the situation.

"For the sake of preserving Russia's integrity and guided by the interests of the population, we propose to the federal bodies that:

"1. Everyone should rigorously fulfill his functions, and the government should tackle the economy above all.

"2. Mindful of the fact that forms of constructive cooperation between the authorities and management bodies have been developed on Siberian Accord territories, we are prepared to assist in arranging similar cooperation at the federal level."

An appeal was sent to the same three addressees, which states:

"The process of switching to a market economic system has proved considerably more difficult than expected.

"The restructuring of the economy without a purposeful state policy in the sphere of investments and price formation is today intensifying the process of continuing economic slump.

"A majority of the country's sectors and regions find themselves in crisis. The very existence of key production facilities is under threat of total collapse. The polarization of the population's incomes is assuming menacing dimensions.

"Not only responsibility to the population of their regions but also awareness of Siberia's importance to Russia's entire scientific and industrial potential and of the need for its restructuring insistently demand more vigorous and concerted actions by the regional and federal authorities.

"Repeated appeals to you by individual territories concerning the critical state of industry, the agrarian sector, education, science, culture, and health care and also specific proposals for overcoming the crisis have not yielded results.

"We members of the SAIA suggest that you hold talks this September on the following questions:

"1. On state policy in the sphere of the population's incomes and expenditure.

"2. On state policy toward sectors which determine the main areas of economic restructuring.

"3. On changes in relations between budgets at various levels.

"4. On state policy in the sphere of investments, price formation, and the development and use of the country's export potential.

"5. On state policy in respect of society's intellectual potential."

New Mayor of Vladivostok Takes Office

OW1307145193 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 10 Jul 93

[From the "Pacific Ocean" Program]

[Text] On Monday [12 July], Viktor Cherepkov, a Pacific Fleet officer, received the official documents whereby he is confirmed in the post of head of the Vladivostok administration. In a short speech at the official ceremony, the new mayor specifically said that his victory is the victory of the people of Vladivostok and he pledges to justify the expectations of the simple people.

International Affairs

Parliament Draft Resolution on Sevastopol Statement

LD1407093293 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 14 Jul 93

[Draft resolution of the Supreme Council "on the Resolution by the Supreme Soviet of the Russian Federation on the Status of the City of Sevastopol"]

[Text] Having examined the situation that emerged following the the Russian Federation's Supreme Soviet's adoption of a resolution on the status of the city of Sevastopol and having assessed this resolution as an aggressive political act by Russian parliamentarians against Ukraine, the Supreme Council of Ukraine resolves:

First: To recognize the Russian Supreme Soviet resolution on the status of the city of Sevastopol as running counter to the norms of international law; the obligations undertaken by Russia as a member of the Unites Nations, the CSCE, and other international organizations; and the bilateral treaties between the Russian Federation and Ukraine, and aimed at violating the territorial integrity and sovereignty of Ukraine.

Second: The Russian Federation's Supreme Soviet resolution on the status of the city of Sevastopol does not have legal force and does not give rise to any legal consequences in relation to Ukraine.

Third: To charge the central bodies of the state executive power to take the necessary measures to carry out the constitution and laws of Ukraine on the territory of the city of Sevastopol and to guarantee the financing of Sevastopol only in accordance with Ukraine's budgetary law.

Fourth: To consider it necessary to continue the work by diplomatic channels to explain Ukraine's position concerning the illegal Russian Supreme Soviet resolution, which is directed at reviewing existing borders and threatens peace and calm in our land. To raise the issue before the UN Security Council on qualifying the decision of the Russian Federation's Supreme Soviet from the point of view of the UN Charter and current norms of international law. Recognizing that an attempt to implement the resolution of the Russian Federation's Supreme Soviet on the status of the city of Sevastopol will lead to conflict and not identifying the position of some Russian parliamentarians with the will of the Russian people, the Supreme Council of Ukraine turns to the Russian Federation's Supreme Soviet and the Congress of Peoples Deputies of the Russian Federation with an appeal to abrogate the decision that could unsettle the fraternal relations confirmed by the centuries-long history between the Ukrainian and Russian peoples.

Plans To Discuss Issue on 14 Jul

WS1407081893 Kiev UNIAN in Ukrainian 1800 GMT 13 Jul 93

[Text] The Supreme Council Presidium has discussed the resolution by the Russian Supreme Soviet on the status of Sevastopol. A decision has been made to discuss this issue at a plenary session on 14 July. However, a telephone poll of legislative committee chairmen shows that the session will lack a quorum. Mykola Spys, chairman of the Supreme Soviet Committee for Glasnost and Mass Media, has told a UNIAN correspondent that the Ukrainian Supreme Soviet would like to refrain from boosting anti-Russian sentiment. The Supreme Soviet draft resolution stresses the incongruity between the Russian Supreme Soviet's decision and international legal norms. The draft also includes proposals to the UN and the CSCE to respond to this decision. The draft states that the Russian Supreme Soviet's resolution not only increases tension in the relations between the two states, but also hampers the process of nuclear disarmament.

Foreign Ministry Condemns Russian Resolution

LD1307195493 Kiev UKRINFORM in Russian 1608 GMT 13 Jul 93

[Text] The Russian parliament's decision on Sevastopol holding Russian status contradicts the UN Charter, the principles of international law, and the CSCE's tasks and objectives, Ihor Kharchenko, head of the Foreign Ministry's department of political analysis and forecasting, told a Ukrainian Foreign Ministry briefing on 12 July.

The Russian Supreme Soviet's inappropriate action is unprecedented as this is the first territorial claim made since Ukraine became an independent state two years ago. Under these circumstances, a country has the right to bring the situation to the UN Security Council's attention so that there can be a discussion.

Ihor Kharchenko added that the Russian Foreign Ministry's position on the Sevastopol issue was laid out during a telephone conversation between Ukrainian Foreign Minister Anatoliy Zlenko and Russian Foreign Minister Andrey Kozyrev. The Russian minister said that the Russian Foreign Ministry dissociated itself from its parliament's decision.

Russian President Boris Yeltsin also issued a similar statement of dissociation.

Ihor Kharchenko stressed: We do not relate the Russian Supreme Soviet's decision to the will of the Russian people and do not accuse Russia but condemn the actions of its parliament.

Nationalists Rally in Odessa Against Russian Decision

LD1307183493 Moscow ITAR-TASS in English 1805 GMT 13 Jul 93

[by ITAR-TASS correspondent Efim Shvartsman]

[Text] Odessa July 13 TASS—Ukrainian democratically-oriented parties staged a rally in Odessa on the Black Sea coast on Tuesday [13 July] protestng the decision of the Russian Parliament to proclaim the city of Sevastopol Russian territory.

The rally was organised by the opposition "Rukh" movement, the Party of Democratic Revival of Ukraine, the "Memorial" movement, the Green Party, the Democratic Party which all said that the decision of the Russian Parliament leads to a dangerous confrontation between Russia and Ukraine.

Head of the Odessa branch of the "Rukh" movement Viktor Tsymbalyuk told TASS that similar rallies will be held throughout Ukraine on July 16.

Russian Actions 'Prompted' by Leadership's 'Concessions'

WS1407095993 Kiev UNIAN in Ukrainian 1800 GMT 13 Jul 93

[Text] The Narodna Rada [Popular Council] faction in the Ukrainian legislature has circulated a declaration regarding the Russian Supreme Soviet's decision on the status of Sevastopol. The declaration points out that the Russian legislature's decision has been prompted by the policy of constant concessions to Russia on the part of the Ukrainian leadership. This policy has made Ukraine very susceptible to pressure from the outside and "has encouraged aggression of the chauvinistic Russian authorities." The Narodna Rada is demanding immediate withdrawal of the Russian troops from Ukrainian territory, the introduction of a presidential representation in the Crimea, and secession from the CIS.

Kuchma Urges Economic Ties With CIS Instead of West

LD1307161893 Moscow ITAR-TASS in English 1609 GMT 13 Jul 93

[By UKRINFORM correspondent Valentin Vernodubenko for TASS]

[Text] Kirovograd July 13 TASS—Ukrainian Prime Minister Leonid Kuchma said on Tuesday his country has to rely on cooperation with the CIS rather than with the West.

"I have again got convinced that it is necessary to restore industrial ties with former Soviet republics.... The West does not need our equipment", he said after a trip to the "Krasnaya Zvezda" agricultural machinery enterprise which has practically stalled production because of high energy prices and lack of accessories imported from Russia.

Kuchma warned the workforce that there would be no offset of mutual debts of enterprises. "Plants are to turn out competitive products corresponding to world standards and consume less energy", he said.

Russian Gas Prices To Increase

LD1307221293 Kiev Radio Ukraine World Service in English 2100 GMT 13 Jul 93

[Text] Russia and Ukraine signed an agreement that provides for a step by step natural gas price raising by the Russian gas suppliers from the current 42,000 rubles per 1,000 cubic meters rate to U.S. $80 per 1,000 cubic meters in December 1993.

Indian President Arrives, Calls Relations 'Wonderful'

LD1307195193 Moscow ITAR-TASS in English 1853 GMT 13 Jul 93

[By UKRINFORM for TASS]

[Text] Kiev July 13 TASS—President of India Shankar Dayal Sharma said upon arrival on an official visit in Kiev on Tuesday [13 July] that relations with Ukraine are "wonderful" and that he looks forward to meet his Ukrainian counterpart Leonid Kravchuk.

"It is a great pleasure for me to arrive in Ukraine, in its historical capital of Kiev. This is my first visit to Ukraine as the president of the republic of India", Dayal Sharma said.

He stressed that India maintains long-standing relations of cooperation and friendship with Ukraine and recalled that Indian diplomatic envoys have been working in Ukraine since 1962.

"India was among the first countries to recognise independent Ukraine", the president emphasised.

The current visit will allow to develop friendly relations with President Leonid Kravchuk and other republican leaders, according to Dayal Sharma.

"I am looking forward for an exchange of opinions on issues of our wonderful bilateral relations and on important international problems", he said.

Kravchuk had visited India in March 1992.

Kravchuk Seeks Expanded Ties

BK1407044593 Delhi All India Radio Network in English 0245 GMT 14 Jul 93

[Text] The president has cautioned the world community against the designs of elements who seek to exploit the issues of human rights and individual freedom for ulterior purposes. Dr. Shankar Dayal Sharma was speaking at a banquet given in his honor by the Ukranian president in Kiev. He said India is witnessing extremist beliefs in its neighborhood which are abetting terrorism. The president said this tendency poses a challenge to the stability of the region and to the secular basis of the Indian polity. Dr. Sharma expressed confidence that the Indian ethos developed over centuries will overcome the challenge and demonstrate the enduring strength of a

secular and tolerant society. Highlighting the importance of close cooperation between India and Ukraine, the president said New Delhi is committed to sharing technological and other know-how with all without any discrimination. Dr. Sharma said India is taking fresh steps to change its economic structures increasing the scope of cooperation with other countries. About disarmament, he said India has put forward a concrete program of action to eliminate within a fixed period all nuclear weapons from the world.

The Ukranian president, Dr. Leonid Kravchuk, in his speech talked of the threat to newly independent states. He expressed his country's keen desire to expand and strengthen bilateral and trade relations with India.

Our special correspondent Sumati Vishwanadam reports the two leaders held discussions on wide ranging issues and areas. The president announced a donation of 50 lakh rupees worth of medicines to Ukraine during the talks.

Turkish Defense Minister Begins Visit

LD1307141493 Moscow ITAR-TASS in English 1234 GMT 13 Jul 93

[By UKRINFORM correspondent Sergey Balykov]

[Text] Kiev, July 13 (TASS)—Turkish Defence Minister Nevzat Ayaz arrives in Kiev on Tuesday [13 July].

The visit's programme provides for meetings with the Ukrainian president, defence minister and other statesmen. The guest will visit the Kiev aircraft amalgamation named after Antonov and military educational establishments.

The Turkish and Ukrainian defence ministers will hold a news conference on the results of the visit.

Accused Treblinka Guard Wins Public Support

PM1407102793 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jul 93 First Edition p 7

[Vitaliy Panov report: "Who Is 'Ivan the Terrible'?"]

[Text] The case of Ivan Demjanjuk, sentenced to death by an Israeli court, is having increasing political repercussions in Ukraine. Demjanjuk support comittees have been set up, and he himself is assuming the features almost of a national hero even though the fact that he served in Hitler's death camps has been established beyond question. Recently other doubts have surfaced: Was Demjanjuk the man that the Jews at Treblinka called "Ivan the Terrible"—the operator of the gas chambers who displayed especial brutality during the annihilation of people there?

Meanwhile in Lvov a crowd of Demjanjuk supporters has broken into a synagogue, and in Kiev the Israeli embassy is being picketed. Lvov Mayor Vasiliy Shpitser has flown to Israel; although he has not been able to talk with him, he has been able to ascertain that the elderly Demjanjuk is being kept in perfectly acceptable conditions: The prisoner has a large room and a flower garden where he likes to walk.

Some Ukrainian social organizations and mass media have bluntly called Demjanjuk a victim of KGB intrigues and anti-Ukrainian sentiment in Israel. Some even make the future development of Ukrainian-Israeli relations dependent on the outcome of the Demjanjuk case.

National Affairs

Paper Views Referendum Campaign, Parliament's Actions

PM1307130993 Moscow IZVESTIYA in Russian 8 Jul 93 First Edition p 4

[Irina Pogodina report: "Ukraine: Road to Referendum Lies Through Legal Vacuum"]

[Text] Kiev—Although the seventh session of the Ukrainian Supreme Council has been extended until September by a special decree—and this particularly underlines the fact that parliament continues to be in control of the sociopolitical and economic situation in the country until the referendum—deputies have nonetheless dispersed, if not on vacation, at least to their homes.

And there are some fundamental political and social aspects to the backlog of unfinished legislative work. The examination of the conceptual provisions of the election law—without which the referendum on confidence in the Supreme Soviet and the president will turn into a senseless sociological poll—has been postponed indefinitely. On the basis of this situation, Leonid Kravchuk, on his prereferendum tour of Ukrainian oblasts, is constantly reiterating that even a negative result in the referendum would not constitute grounds for his personal resignation or for the dissolution of parliament.

It is necessary to adopt appropriate amendments to the Constitution that would directly influence the future of the branches of power on the basis of the referendum results, the president believes. This insistence worries his opponents, who believe that he wants to win the prereferendum marathon by depicting parliament as being reluctant yet again to make radical decisions if the road to early elections is shortened. At the same time the idea of convening a constitutional assembly is being widely discussed—insofar as that is possible, given the political confusion and apathy of the population. Here the president, with his innate efficiency, has latched on to and is developing the concept put forward by the centrist liberal and social democratic parties, which are currently supporting Leonid Kravchuk in this respect.

Thus, the relatively narrow circle of the Ukrainian president's supporters—which until recently comprised

merely the members of the Congress of National Democratic Forces—is unintentionally being expanded. Social reforming parties, fearful of the threat from the Supreme Soviet of the presidency's exclusion from the Ukrainian power structures, are prepared for the sake of its preservation to temporarily refrain from criticizing Leonid Kravchuk personally.

At a time when the government has been deprived of the right to pursue an independent economic policy, Prime Minister Leonid Kuchma is conducting his own confidence campaign, which is not without political overtones. He is touring Ukraine, making statements in regions particularly dependent on ties to Russia about the need to fully restore such ties.

But the Supreme Council—where, just before the plenary sessions ended, approximately one-third of deputies belatedly assessed the treaty with Russia on the joint right of ownership of industrial installations as discriminating in Russia's favor—nonetheless ratified the treaty. On the other hand, the deputies expanded the legal scope for combating organized crime—which has been proclaimed a priority for the state authorities. A corresponding package of acts of legislation was adopted. These were insufficiently clear-cut from the standpoint of the protection of human rights and largely contravene previously accepted norms, but they meet the demands of the current leadership of Ukraine's law-enforcement organs. At the same time, the Supreme Council was again unable to reach agreement on the problem of rehabilitating members of armed formations who had taken part in military action against both the fascists and Soviet troops during World War II.

Committees Discuss Changes in Referendum

WS1407085893 Kiev UNIAN in Ukrainian 1800 GMT 13 Jul 93

[Text] On 13 July, Ukrainian Supreme Council committees discussed President Kravchuk's stance regarding the unconstitutional nature of the resolution to hold a referendum on confidence in the president and the Supreme Council, adopted by the legislature on 17 June. Experts have suggested that the question of confidence in the president be replaced by the question of Ukraine's state system. The president's stance has met with a dubious assessment in the committees. The majority of the committees have spoken in favor of annulling the 17 June resolution to hold a referendum. The 13 July Supreme Council Presidium session decided to pass the issue to the appropriate committees for completion.

Details of Kuchma's Dispute With Parliament, President

PM1307143593 Moscow IZVESTIYA in Russian 10 Jul 93 First Edition p 2

[Journalist Olga Sergeyeva report: "Leonid Kuchma: 'I Support the Introduction of a State of Emergency in Ukraine'"]

[Text] Yet again the Ukrainian Supreme Soviet has failed to find a common language with the government. Leonid Kuchma has reported that the deputies, having conferred in commissions, rejected two draft laws proposed by the Cabinet of Ministers. The first is on the auction sale (or long-term lease) of unfinished construction together with the land—the total value of such structures is over 7 trillion karbovantsi. The second is on a similar sale of gasoline pumps, which stand along the road like a silent reproach.

"I was told what the speaker said—he said that if these documents are submitted to parliament it will explode," the premier told journalists. And he added: "I support a state of emergency in Ukraine."

In Kuchma's opinion, given an inflation rate of 32-33 percent a month and the fundamental impossibility of Ukraine's switching to world prices, at the very least it is necessary to revoke all of parliament's populist decisions and introduce the hryvnya before the end of the year without fail.

While the prime minister was studying the leading experience of the economic transformations in the Baltic region 6-7 July, Ukrainian President Leonid Kravchuk was protesting the Economy Ministry's decision to increase the prices of power sources for industrial consumers. The resolution, addressed personally to Prime Minister Leonid Kuchma and First Deputy Prime Minister Yukhym Zvyahilskyy, was couched in the terms of a commander's order: "Punish the guilty and bring it to the attention of the public, which is indignant that the government does not know what its subordinates are doing."

"It is surprising that such clashes always happen when the premier is absent," Kuchma observed. "Had the president consulted me I would have suggested that he address a resolution to Boris Yeltsin calling on Yeltsin to punish Chernomyrdin for increasing oil and gas prices.... I have still not managed to speak to Leonid Makarovich," Leonid Danilovich said. And he promised that he would not spend long thinking of a reply.

Poll Details Fall in Popularity of President, Parliament

LD1307162593 Moscow ITAR-TASS in English 1557 GMT 13 Jul 93

[By ITAR-TASS correspondent Efim Shvartsman]

[Text] Kiev July 13 TASS—Economic crisis in Ukraine triggered an unprecedented fall in the popularity of the Ukrainian parliament and president and showed that people still pin their hopes mostly on the government of Leonid Kuchma.

Only 4.7 per cent of Kiev residents believe that President Leonid Kravchuk can take the country out of the crisis, while 57.9 per cent do not trust him at all, according to an opinion poll conducted in Kiev by the research centre

"Democratic Initiatives" and the Institute of Sociology of the Ukrainian Academy of Sciences.

The rating of the parliament turned out to be even lower. 74.2 per cent of respondents do not trust it at all and 64 per cent said lawmakers are guided by personal interests in their work.

Kuchma's government still enjoys a 36.3 popularity rating, and 39.5 per cent of respondents support its proposal to introduce a state of economic emergency and return to former communist administrative way of management.

47 per cent said the economic situation in Ukraine is catastrophic, while 42 per cent described it as a deep crisis.

Plyushch, Chornovil To Unite Against Kravchuk

MK1307135093 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian No. 14, 7 Jul 93 (signed to press 6 Jul) p 4

[SIXTH-FLOOR NEWS AGENCY report: "Parliament Speaker and Rukh Leader May Ally Against Kravchuk"]

[Text] According to informed sources close to the leadership of the Ukrainian parliament, it is expected that Ivan Plyushch, chairman of the Ukrainian Supreme Council, and Rukh Chairman Vyacheslav Chornovil may create a single anti-presidential bloc in the very near future .

A union between the two long-standing enemies—Plyushch, a former party leader, and Chornovil, a former dissident—is forced by their common struggle against the creation in Ukraine of a "tough" presidential republic. As is known, Leonid Kravchuk is pursuing this policy in anticipation of a referendum scheduled for 26 September 1993 on confidence in the president and the Supreme Council.

Notably, Kravchuk's idea is to keep the soviets but to have the republic's parliament reelected. In that event Ivan Plyushch would naturally be put out of business. The same for Rukh's head, Chornovil: Whereas Rukh's ideas are supported by nearly 90 deputies in the present Supreme Council, candidates of this political organization can hardly expect to win such a number of seats in new elections. Rukh's policy aimed at achieving independence for Ukraine at any cost has compromised itself through high prices and inflation.

Chornovil Views Presidential Struggle Against Rukh

AU1407082893 Kiev HOLOS UKRAYINY in Ukrainian 10 Jul 93 p 2

[Article by Vyacheslav Chornovil, chairman of Ukraine's People's Rukh (Movement for Perestroyka): "'Rukh Is No More!' Who's Next?"]

[Text] Had it not occurred to me, on 7 July, to watch the first television program and listen to the friendly talk between Leonid Kravchuk and chairmen of collective farms, I would not have learned about my own nonexistence. Well, I still perceive myself physically, but spiritually, as chairman of Ukraine's People's Rukh, I have already disappeared into thin air because, in the president's authoritative opinion, "Rukh is no more." Little wonder that the president did not find it appropriate to mention the reborn Communists, or their twin brother Socialists, or Hrynyov's "New Ukraine," or Filenko's Party of Ukraine's Democratic Revival, or even his own pocket-size Coalition of National Democratic Forces [KNDS]. All of them are nonexistent and that's it!

Instead, there is a civic state (let the French, Germans, and Poles play the "national states" games, whereas we never came across anything like that in Marxism-Leninism....) There are also the "people of Ukraine" who are not made up of all those political forces, but of labor collectives and also of collective farms that will exist for at least another 10 years or even forever. It is true that there also was the "Group of 239," which, in accordance with the unusually frank confession by the "president who was elected by the nation," had brought him to power, but later became scared of something and is presently not on very good terms with the president. (Let us hope that they will make up with each other in time for the referendum: "All lovers under the sun quarrel just for fun.")

Such a chimerical alignment of political and social forces in Ukraine has reminded me of the witty story (or even the true fact) that I have known since childhood about ostriches that bury their heads in the sand when there is something they don't quite want to see in the bleak African desert.

As for yet another "abolishment" by President Kravchuk of Ukraine's People's Rukh, which is today the largest and the most popular of the democratic organizations (advisers should have, at least, reported the data of opinion polls to their chief!), there is nothing new for us about this. The struggle against Rukh started from Shcherbytsky's [communist leader] office and it still continues from there. It has already become an open secret who of the president's advisers, reviewers, or proxies worked out the strategy of the struggle against Rukh, who wrote drafts of policy documents of the anti-Rukh KNDS, and who put pressure upon Justice Minister V. Onopenko who was excessively flexible (for the state's top legislator) in order to illegally register, under the name of Rukh, the still-born baby of Larysa Skoryk and M. Porovskyy with a nicely sounding name VRU [Ukraine's Nationwide Rukh; the acronym is consonant with the Russian verb in second person singular meaning "I lie"]. How can one assess the declaration in public by B. Ternopilskyy, one of the president's officials and member of KNDS, to the effect that they will not rest until a small party of 2,000 members is all that remains of Rukh? Also recall the president's personal

attack against the chairman of Rukh at the World Forum of Ukrainians and the audience's response to that! How about the struggle against Rukh on the part of presidential structures in some oblasts—to the extent that some people were dismissed from their work because of their membership in Rukh, as was the case in Ternopil?

I am writing about things that are supposed to be trivial for an immature democracy, which is presently extricating itself from totalitarian diapers. Just imagine the scandal that would flare up in France or in the United States (recall Watergate!) if the apparatus of the president there (more specifically, the apparatus of the state and not of a party) would use such methods of struggle against the opposition....

I think with bitterness of how undesirable for our present statehood, which is under threat, are all of these political games aimed at splitting democratic forces and creating a political vacuum in society! Vacuum for whom?

Decrees Create Center for Economic Reforms, Europe Commission

AU1207202393 Kiev URYADOVYY KURYER in Ukrainian 8 Jul 93 p 3

[Unattributed reports: "The Government Has Decreed"]

[Text] By its decree No. 485 of 26 June 1993, Ukraine's Cabinet of Ministers created a Center for Economic Reforms subordinate to Ukraine's prime minister. The Center is authorized to elaborate projects for the main trends in the state and external economic policy, determine ways for intensifying economic reform, and also to prepare proposals on these questions for the government's consideration.

V.O. Kuznyetsov, adviser to Ukraine's prime minister, was appointed secretary of the Center.

* * *

Ukraine's Cabinet of Ministers, by its decree No. 492 of 30 June 1993, created a State Departmental Commission for Questions of Ukraine's admission to the Council of Europe. Its goal is to coordinate work associated with the preparation for this step.

B.I. Tarasyuk, deputy minister of foreign affairs, was appointed as chairman of the commission.

Trade Unions Urge Mass Actions if Early Elections Not Held

AU1407081993 Kiev HOLOS UKRAYINY in Ukrainian 10 Jul 93 p 1

[Unattributed report: "Actions Are Being Prepared"]

[Text] The Consultative Council of Ukraine's Free Trade Unions has called upon other trade unions, democratic parties, movements, and Ukraine's working people to adopt a decision to conduct, in September 1993, mass actions of civil disobedience and political strikes, unless Ukraine's Supreme Council adopts, by 1 September 1993, a new law "On Elections of Deputies to Ukraine's Supreme Council" and a decree on holding early elections for the Supreme Council no later than December 1993.

Third Reactor of Zaporozhye Nuclear Plant Switches Off

LD1307163393 Moscow ITAR-TASS in English 1619 GMT 13 Jul 93

[Report by UKRINFORM for TASS]

[Text] Energodar July 13 TASS—The third reactor of the Zaporozhye nuclear power plant in Ukraine automatically switched off on Tuesday [13 July] because of a fault in an oil cooler of one of the pumps.

Engineers of the plant said the incident corresponds to zero point of the Ines scale and that there were no change in radioactive situation.

Four reactors are now working at the plant after the fifth and the first units were plugged in after maintenance repairs.

Security Service Apprehends Servicemen

LD1307164493 Moscow ITAR-TASS in English 1635 GMT 13 Jul 93

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[Text] Lugansk July 13 TASS—The Ukrainian Security Service, police and military counterintelligence officers detained several servicemen on Tuesday, who had stolen an optic targeting installation used to fire anti-tank guided missiles as well as six charges to it and over 300 grenades from the premises of a local military garrison.

The arrested admitted at a preliminary interrogation that they intended to sell the stolen arms to a foreign country, but did not elaborate.

Belarus

Defense Minister on Corruption, Army Composition

WS1407074293 Minsk RID in Russian 0950 GMT 13 Jul 93

[Report by RID correspondent Sergey Rasolko: "Defense Minister Rejects Charges of Corruption"]

[Text] "We cannot speak about mass corruption and abuses in the Army," Belarusian Defense Minister Pavel Kozlovskiy declared at the press conference held on 12 July.

According to the defense minister, only 12 out of 26,000 servicemen were dismissed this year on charges of abuses. However, some 100 criminal proceedings of officers and warrant officers have been initiated.

"Unfortunately, we must engage in commerce and sell our oversupplies," Pavel Kozlovskiy said. The government can satisfy only 50 percent of our needs. We must earn money ourselves.

The defense minister reported that 46 percent of the servicemen are Belarusians (this high percentage of Belarusians in the Army is explained by the fact that the privates are called up in the Republic, while the percentage of Belarusians among the officers is much lower). Currently, the Belarusian Armed Forces are 75-80 percent staffed, which, however, is higher than two years ago. In 1985, 525 servicemen deserted from the Army (they were mainly Uzbeks, Tatars, Kazakhs, etc.), while in 1992, there were 1,172 deserters (all of them are Belarusian citizens of Slavic nationalities). Desertion in the Army makes up 43 percent of all the crimes, while hazing of conscripts only nine percent, and embezzlements - 11.6 percent.

Procedures for Issuing Privatization Vouchers Reported

LD1307213093 Minsk Radiostantsiya Belarus International Service in Belarusian 1800 GMT 13 Jul 93

[Text] Privatization checks for 50 percent of state property will be issued free of charge to all the citizens of Belarus residing permanently on the territory of the republic or staying abroad on business for studies or medical treatment at the moment of bringing the law into force.

Such a law was adopted by the Belarusian parliament at the session that completed its work last week. The number of personal privatization checks for each resident depends on the number of years they have worked and their age. Thus, persons over 25 years of age will receive 50 checks plus one check for each working year. A child under 16 will receive 10 checks. Invalids who lost ability to work during the war, while in service or in connection with their illness, will receive from 60 to 80 checks.

The nominal value of one check has not been announced yet, but proceeding from the data valid on 1 April 1993, without taking inflation into consideration, it will be no less than 995 rubles. The exact amount will be determined by the Council of Ministers of the Republic and the National Bank.

Government Discusses New Passports

LD1307205493 Minsk Radio Minsk Network in Belarusian 1715 GMT 13 Jul 93

[Text] Prime Minister Vyacheslav Kebich chaired a routine sitting of the Council of Ministers Presidium at the seat of government. It confirmed regulations on the appearance and description of a Belarus citizen's passport. This document will start being issued from 1994 to persons who were in permanent residence on the territory of the republic on the day the citizenship law came into force and to those who have acquired Belarusian citizenship in compliance with the above mentioned law. The passport will be valid on leaving the country. [Words indistinct] it is dark blue, and on it will be inscribed in gold letters the state emblem and the words Republic of Belarus and Passport in the Belarusian and English languages.

The government also considered other issues of socio-economic life, foreign political activities, and cadre policy.

Mogilev Communists Hold Rally, Appeal to Government

WS1307140493 Minsk Radio Minsk Network in Belarusian 1000 GMT 13 Jul 93

[Text] Mogilev communists held a rally under the slogan "What Is Waiting for Us?" in one of the city squares. Scientists, engineers, workers, and pensioners were concerned with the breakup of the country, economic decline, and impoverishment of the people. The appeal to the Belarusian Supreme Soviet and Belarusian Council of Ministers demands a halt to the political course that was started in the Viskuli village by the heads of the three states. The members of the Belarusian Communist Party have proposed that the Belarusian Supreme Soviet and Belarusian Council of Ministers initiate the creation of a renewed union of fraternal soviet republics.

General Consulate To Be Opened in The Hague

WS1307140693 Minsk Radio Minsk Network in Belarusian 0300 GMT 13 Jul 93

[Text] The Belarusian Council of Ministers has adopted a decision to open a Belarusian general consulate in The Hague, Netherlands. Vladimir Astapenko, formerly Belarusian deputy foreign minister, was appointed to the post of the Belarusian consul in Netherlands.

Moldova

Official Details Cabinet Reshuffle

AU1407100093 Chisinau BASAPRESS in English 1648 GMT 13 Jul 93

[Text] Chisinau, BASAPRESS 3/7/1993—According to a decision of Mircea Snegur, a series of reshuffles in the cabinet of the president of Moldova have been made. At present the cabinet of the president includes state councils, press service, service of analysis and service of assistance. Viorel Ciubotaru, the head of the presidential cabinet, told a BASAPRESS correspondent that all these modifications have a strict organisational character. The service of analysis will largely collaborate with the State Council group and with the press service of the president. The cited source affirmed the fact that the present chief of the Analysis Department will continue his work in the Embassy of Moldova in Kiev. Vlad Darie will continue to exercise his functions as the director of the Analysis Department in a decision which was recently adopted. Ciubotaru mentioned that the post of State Council had been left for Nicolae Osmochescu who will be engaged with the problems of foreign policy and legislation.

Snegur Comments on Corruption in Leadership

LD1307153093 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 13 Jul 93

[By Mikhay Sokirke from the "Novosti" newscast]

[Text] Beside overall production decline, inflation, and falling living standards for most, incomes of a small section of Moldovan population are rising out of all proportion. Illegal squandering by corrupt structures of, first and foremost, agricultural products, has, in many people's opinions, become nothing short of a national catastrophe.

[Begin President Mircea Snegur recording] This plague, this negative thing, has unfortunately penetrated, I would say, even into the heart of the leadership structures of various branches of the economy. That is, some facts have already emerged, though they have not been thoroughly checked. But at least we are receiving such reports. [end recording]

Russian Oil Deliveries Below Agreed Levels

AU1407095593 Chisinau BASAPRESS in English 1648 GMT 14 Jul 93

[Text] Chisinau, BASAPRESS 13/7/1993—Oil deliveries for the first half of this year, from Russia to Moldova, constituted only 18.6 percent from the quantity stipulated through the agreement between Moldova and Russia regarding economic and commercial deliveries for 1993, stated a report by the State Association for Fuel. Sources close to the government estimated that Moldovan partners do not fulfill their obligations provided by inter-governmental agreements. In such a way, for the first half of the year, the level of realised contracts were correspondingly for fuel oil—30.2 percent, Diesel oil—50.2 percent, coal—49.8 percent and liquid gases—58.5 percent. Economic agents are forced under such circumstances to appeal to the aid of private firms and establish direct links, which is in itself a radical increase of expenditure. Presently, the oil price in Moldova is one of the biggest amongst former Soviet republics. According to the programme of action by the government, the need for fuel in Moldova for year 1993 constitutes correspondingly, for: Oil—600 thousand tonnes, fuel oil—2 million tonnes, Diesel oil—800 thousand tonnes, liquid gases—151 thousand tonnes, and coal—3 million tonnes. According to statistics, these needs were covered for the first half of 1993 as follows: Oil—18 percent, fuel oil—3.5 percent and Diesel oil—36.9 percent.

Agreements Signed With Russian Interior Minister

LD0907174793 Moscow ITAR-TASS World Service in Russian 1114 GMT 9 Jul 93

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 9 Jul—Agreements on material-technical cooperation, the training of cadres and the interchange of information, and a number of other documents were signed in Chisinau today during the working visit to Moldova by Russian Interior Minister Viktor Yerin. The ITAR-TASS correspondent was told at the Russian Interior Ministry's Public Relations Center that normal professional relations are developing between the law enforcement departments of the two republics. Aware that crime recognizes no borders or distances the staff members of Moldova's Interior Ministry are actively interacting with their counterparts in CIS states.

After a series of meetings with Moldovan leaders Viktor Yerin is today returning to Moscow.

Official Seeks Ukrainian, Russian Help on Dniester

AU1207194593 Kiev HOLOS UKRAYINY in Ukrainian 8 Jul 93 p 1

[Unattributed report: "We Cannot Do Without Ukraine or Russia"]

[Text] An ultimate settlement of the conflict in the Dniester region is impossible without the active assistance of Ukraine and Russia, stated the chairman of the Moldovan Parliament, P. Luchinschi at a news conference following his one-day visit to Odessa Oblast. As reported by the [Georgian] IPRINDA news agency, he pointed out that Russian opposition is obstructing the active participation of these two states in settling the conflict. Luchinschi said that the Moldovan leadership is

ready to continue negotiations on this issue with the participation of international organizations and mediator countries.

According to Luchinschi, Moldova also strives for close cooperation with Ukraine's Odessa Oblast bordering on the republic. Here, there is every opportunity for an effective commodity exchange.

Tiraspol Disputes Corruption Charges of Prosecutor

AU1307124393 Chisinau BASAPRESS in English 1843 GMT 13 Jul 93

[Text] Tiraspol, BASAPRESS 12/7/1993—Tiraspol authorities are extremely dissatisfied with the interview of Prosecutor Boris Lucik published in the newspaper NEZAVISIMAYA MOLDOVA from Chisinau, by which he recognised existence of some corrupt elements in the highest levels of power of the self-proclaimed Dniester Republic, declared reliable sources from Tiraspol. Recently, Tiraspol authorities expressed disaffection towards the declaration of Lucik which he made for the newspaper DNESTROVSKAYA PRAVDA. He defined as criminals those four former soldiers of Soviet Army who were accused of thefts of cars and charged in Chisinau. Some conservative political spheres from Russia and movement EDINSTVO declared those criminals as political detainees and demanded their immediate release. Tiraspol authorities do their best to dismiss Lucik from his present position. Local observers pointed out that all copies of the newspaper NEZAVISIMAYA MOLDOVA which are distributed in Tiraspol were withdrawn from circulation.

World Bank To Assist Economic Reforms

AU1307124593 Chisinau BASAPRESS in English 1843 GMT 12 Jul 93

[Text] Chisinau, BASAPRESS 12/7/1993— The Press Service of the President informs that today, President Snegur met Basil Kavalsky, the head of the Department of World Bank, and Eugene Scantele the expert from the same bank. During the meeting Kavalsky mentioned that the World Bank is going to deliver assistance for promotion of economic reforms in Moldova. Shortly in Moldova will arrive specialists in domain of agriculture of this bank to examine planned reforms in this sphere. Then specialists of energetics will discuss the level of works, concerning reforms in the domain of energetics and addressed their proposals to the president. In this context it is extremely important to start the process for privatisation which will constitute one of the main premises for foreign investments. Representatives of the World Bank underlined that assistance will be proposed in the form of technical credits and financing those enterprises which will be privatised, added the cited source. It is declared that during the meeting of the Administrative Council of World Bank special attention will be paid to the programme of credits elaborated for Moldova. President Snegur affirmed that the reforms have an irreversible character and pointed out difficulties of the transition to a market economy, especially the problems concerning social protection of the poorest levels of society. Snegur added that he addressed to the Director of the World Bank a request to open in the Republic of Moldova a representation which will operate here to encourage economic reforms, indicated the cited source.

Businessmen Criticize Government's Economic Plans

AU1307124793 Chisinau BASAPRESS in English 1843 GMT 12 Jul 93

[Text] Chisinau, BASAPRESS 12/7/1993—The Government from Chisinau expresses noticeable anxiety towards the progress of economic reforms. The opposition continues to publish declarations and deliver data concluding that the present authorities are unable to lead Moldova out of the crisis. It seems, that officials who are engaged with the creation of an advantageous reformer's image in front of international bodies and businessmen from the West became more vulnerable. "Ignorance, incompetence and irresponsibility are dominating the Republic. This discourages the free producer and private capital," stated the Entrepreneurs League's declaration on private capital from the Republic of Moldova. Tamara Platonov, the doctor in economic sciences, stated that two different worlds exist today; they are independent from each other: One of them is adopting laws, and the other is supporting a real economy. Serafim Urecheanu, the president of Moldovan Independent Syndicates Federation, declared during a meeting with a representative of the World Bank, that the government did not elaborate a real and efficient programme for resolving the crisis. He also stated that "the fulfillment of reforms in the economy is stopped firstly because privatisation processes were blocked, even though these processes must be the primary point for all changes." The launching of privatisation which was planned for August is again postponed. According to statistical data, private ownership does not exceed 5 percent within the patrimony of the republic. The supporting policy of state enterprises discourages businessmen who have decreased their activity during the last months. Only the interest of international bodies towards Moldova and their ability to offer credits can represent an opportunity to escape this crisis. A group of experts of the IMF had been in Moldova aiming to study the possibility of offering long-term credit amounting to 65 million USA dollars. M. Nlalkwell [as received], an IMF representative revealed that "the economic structure in which the manufacturing of food products, mass consumption goods and device construction is prevailing is in itself favorable for the process of overcoming the crisis and fulfilling economic changes." Although, the economy of Moldova is full of foreign investments. It does not show signs of improvement. The Government passed to parliament for approval the budget project for the second half of the year having a deficit of 122 million rubles which constitutes 5-6 percent of the national product.

Or, in other words, this represents the limit beyond which the national economy becomes a risky zone and is no longer reliable for international bodies which were ready to give their assistance for redeveloping the economy.

Oppose Presidential Decree

AU1407095393 Chisinau BASAPRESS in English 1648 GMT 13 Jul 93

[Text] Chisinau, BASAPRESS 13/7/1993—The presidential decree concerning support and protection of businessmen is directed at achieving political aims, is not based on positive elements and has no material basis for implementation, indicates the declaration of the League of Businessmen from Moldova published in the weekly of Russian expression NEZAVISIMAYA MOLDOVA. In the opinion of the authors of the declaration sources of financing the fund of support for businessmen and small businesses supervised by the government are illusionary because Western banks will not spend a single dollar for any institute supervised by the state. To depend on a reserve fund of the Government is rubbish because of the budget deficit. Until privatisation in Moldova is realised only for patrimonial bones this source of financing cannot be taken into consideration. Commenting on the decision of parliament on 17 June concerning releasing privileged credits comprising 77 billion rubles for enterprises of some ministries, the authors of the declaration expressed that this decision contradicts valid antimonopolist legislation and has a definite corporative spirit. "In any civilised country this decision would have been suspended by the Constitutional Court," declared the signatories of the document underlining that all consequences of the decision adopted by parliament will influence ordinary people who will finally experience the burden of huge taxes.

Moldovan Socialist Party Most Popular; Paper Fares Poorly

AU1307124193 Chisinau BASAPRESS in English 1843 GMT 12 Jul 93

[Text] Chisinau, BASAPRESS 12/7/1993—Citizens' spectrum of political options is quickly simplifying under circumstances when poverty affects in geometrical sequence larger layers of population, when unemployment and crime are rising and when more and more cases of corruption by officials are published in the press. At present, the mosaic made out of parties which are more or less implicated in the political concert in the capital, are only very approximately reflecting the decree of political loyalties of the majority of people which becomes more unforeseeable and contradictory. Although quite accidental, there exist signs, which according to reality, can discover certain trends. Results of a recent poll reflected that in case of possible parliamentary elections, a candidate from the Moldovan Socialist Party, former Moldovan Communist Party, would benefit from the largest number of voters. In this connection, it is stressed the calmness with which public answered a letter signed by 90 deputies (approximately a quarter of the legislative body) which demands examination of the interdiction of Moldovan Communist Party activity from 23 August, 1991. Deputies affirmed that the interdiction of the Moldovan Communist Party activity by the Presidium of Parliament "constitutes an act of discrimination towards tens of thousands of party members, citizens of the republic who were deprived from the constitutional right to freedom of expression." The interpretation which was published in the press, though without indicating who signed it, also stated that the Prosecutor's Office from Moldova informed the Parliament of Moldova that the Moldovan Communist Party was not implicated in the coup d'etat from August, 1991. From another perspective, Moldpressfilatelia Association had recently broadcast information in a surprising way results of a subscription campaign which contradicts such trends. According to these results, TARA became an absolute leader amongst editorial subscription for the second half of the year, having 71,201 copies and being a hebdomadar of the Christian Democratic Popular Front. DREPTATE, a newspaper of the Moldovan Socialist Party ends the list having only 249 copies. Local observers estimate in contradictory ways this strange fluctuation of options. One of the explanations could be that the shattering of more hopes for the promised social improvement gives birth to critical moods to the address of leaders. An analysis of results of the subscription campaign indicates a phenomenon which was not known until now in Chisinau: Power structures have large representatives from some parties which are poorly represented within large masses of population, especially for rural localities. Moreover, these parties tend to make coalitions: According to some information, primary organisations from Ungheni belonging to the Social-Democratic Party, Socialist Party from Moldova and Agrarian Democratic Party adopted commonly an appeal to President Snegur through which they demand the dismissal of the mayor from Ungheni. One of the reasons for the dismissal could be according to those who signed the letter, the fact that he had been elected on the basis of the Christian Democratic Popular Front platform. Chromatic simplification within the spectrum of political options of the population and the degree of representation within power structures which does not correspond to the location of political forces within society always created a tense atmosphere.

FPCD's Rosca Views Cancellation of Trial as Victory

AU1407095893 Chisinau BASAPRESS in English 1648 GMT 13 Jul 93

[Text] Chisinau, BASAPRESS 13/7/1993—The weekly TARA defined as a "conclusion" signed by the President of the executive body of the Christian Democratic Popular Front [FPCD] in regard to the message by President Mircea Snegur addressed to the Prosecutor of the Republic of Moldova in connection with the legal file intended earlier against to Iurie Rosca, as a moral defeat for the authorities and a political victory for the Opposition. Rosca concluded that by renouncing the trial,

authorities missed the opportunities of creating a precedent which could have intimidated journalists by tempering their critical spirit. The domestication of the Front failed because the chief of state did not receive apologies from the president of the FPCD, who should be blamed only because he trusted for several years the sincerity and mobility of the President. "The appearance of such witnesses as Valeriu Muravschi and Andrei Cheptine, the minister of foreign economic relations, could help to make clear what is happening within the presidential pyramid by saying a word by chance, in case of an eventual trial," clarified the cited source. This case received resonance in Western circles and diminished the prestige of the chief of state. The president's problem is that it is difficult for him to dispute positions of his own relatives, especially the first degree ones; his son is incorporated within the Moldovan Embassy in the UN, the son-in-law—in the government and Iaso is the head of Seabeco Joint-Stock. The President of the FPCD concluded that he has no doubts that the present authorities are preparing other ways of strangling those [who] dissent from the official line.

Kyrgyzstan

President Akayev Concludes Visit to Mongolia

LD1207122593 Moscow ITAR-TASS in English 1159 GMT 12 Jul 93

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar July 12 TASS—The first official visit by Kyrgyz President Askar Akayev to Mongolia ended today. He was in the country on the invitation of the head of the Mongolian state Punsalmaagiyn Ochirbat.

Whilst in Ulaanbaatar, Akayev conducted negotiations with the president of Mongolia, Prime Minister Puntsagiyn Jasray and Speaker of the Mongolian Parliament Natsagiyn Bagabandi, on a whole range of questions on the development of bilateral relations and international problems.

The sides signed a number of documents on laying a firm basis for comprehensive interaction between the two states. They include a treaty on friendly relations and cooperation between the Kyrgyz Republic and Mongolia, as well as a package of intergovernmental agreements which are opening up broad prospects for the development of Kyrgyz-Mongol ties.

Introduction of New Currency Creates Need for Austerity

MK1307132093 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jul 93 p 3

[NEGA report: "Republic Asked To Foot the Bill. It Will Have To Keep Down Its Appetite"]

[Text] In the wake of the introduction of a national currency and Kyrgyzstan's opting out of the ruble zone, its partner states have added up the grand total of their trading operations and sent a bill.

Kyrgyzstan's debt (for 1992 and for five months of 1993) is 34 billion rubles [R] to Russia, R16 billion to Kazakhstan, and R43 billion to Uzbekistan. From now on, it will have to pay its debts before it can hope for any new supplies. It has managed to agree with the Russians and defer payments for seven years. It has also found a common language with Almaty, which has agreed to wait five years. Uzbekistan wants to get its money back before 1995 and necessarily in hard currency.

Tough talks are in progress on gas supplies. A recent agreement promises to meet as little as 40 percent of the demand, although this would be at a cut rate—$48 per one cubic meter, or 60 percent of the world price. Among the debtors are Transcaucasus states. Thanks to Russia there have been no interruptions so far in supplies of gasoline, timber, and so forth. Reciprocal payments are generally made difficult by the absence of cash and the sluggish work of the banks. Besides, the neighbors only reluctantly agree to supply food. Kyrgyzstan's Ministry for Trade and Material Resources is revising downward some of the figures in previously signed agreements. It will have to moderate its appetite for consumer goods, fabrics, and clothing. It would be fine if it manages to buy the essentials—grain, oil, food, coal, and timber.

Tajikistan

Russian Border Guard Unit Attacked by 'Mojahedin'

LD1307162393 Moscow ITAR-TASS in English 1554 GMT 13 Jul 93

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Moscow July 13 TASS—Russian frontier troops in Tajikistan, units of the 201st Motorised Rifle Division, as well as Tajik Interior and Security Forces are currently fighting to help a border guard unit surrounded by Tajik and Afghan mojahedin early on Tuesday [13 July], TASS learned from the press service of the Russian frontier troops.

The 12th Border Guard Unit came under heavy mortar shelling from the territory of Afghanistan and was later attacked by Afghan mojahedin from Afghanistan and by Tajik militants from the Tajik territory.

A total of 200 militants armed with mortars, rocket launchers and recoiless cannons are engaged in the attack, according to Tajik Foreign Minister Rashid Olimov.

He told TASS by telephone there are solid proofs that the attack was directed by the commander of the 55th Afghan infantry division and said the Tajik Foreign Ministry "expressed a resolute protest (to official Kabul authorities) and views today's incident on the border as a hostile action, as an attempt to violate territorial integrity of Tajikistan". The minister added that the attack can aggravate relations bewteen the neighbouring countries and disrupt the dialogue between the heads of state.

"I believe it is a serious blow aimed to disrupt the dialogue which began in Istanbul between leaders of Tajikistan Imamali Rakhmanov and of Afghanistan Borhanoddin Rabbani", Olimov said.

He stressed that neither Russian border guards, nor Tajik Government forces had provoked any combat activities on the Afghan-Tajik border and warned that "no armed group will succeed in penetrating into Tajikistan".

The minister called on the world community to give a just assessment to the incident and to "unilateral actions of Afghan authorities aimed at destabilising the border regime".

Troops Recapture Border Post

LD1407054693 Moscow ITAR-TASS in English 0537 GMT 14 Jul 93

[By ITAR-TASS correspondent Aleksandr Smelyakov]

[Text] Moscow July 14 TASS—In a sweeping operation early on Wednesday [14 July] Russian border guards and Tajik Security and Interior Ministry troops recaptured the 12th border station in Tajikistan, Tajik Foreign Minister Rashid Olimov told ITAR-TASS by telephone.

The border station had come under heavy mortar fire from the territory of Afghanistan and was later seized by Afghan mojahedin and about 200 Tajik opposition militants armed with mortars, missile launchers and recoilless guns.

The minister said there was no fighting near the station at the moment, adding that some militants had been killed in the counterattack.

Statement on Fighting

LD1407090993 Moscow ITAR-TASS World Service in Russian 0721 GMT 14 Jul 93

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Text] Moscow, 14 Jul—The situation on the section of the 12th outpost of the Moscow border detachment of the group of Russian border troops in Tajikistan is under the control of Russian border troops and units of the 201st Motorized Rifle Division of the Russian Federation troops. Measures are being taken to restore the protection of the Tajik-Afghan border. The bodies of 20 Russian border troops, including the post commander, who died in yesterday's battle have been found in and around the compound of the post. This was reported to ITAR-TASS by Colonel Yevgeniy Znamenskiy, a staffer of the Russian Federation border troops press service.

He said that the events on the border developed extremely quickly. On 13 July at 0415 local time the 12th border post was subjected to an intensive mortar and artillery bombardment and attacked by over 200 mojahedin and gunmen from the Tajik opposition. A reserve of border troops was sent to the area of the 12th border post to provide assistance and at 0730 it joined in the fighting which was taking place at a distance of 1.5 km from the border post. At 1530, 18 border guards managed to fight their way through to the area where the reserve was stationed from the direction of the border post. They were all wounded. Those who stayed at the border post continued to repel the enemy attack. At 1910 the border troops reserve, jointly with subunits of the 201st Motorized Rifle Division, fought their way through to the border post and restored the border sovereignty.

Twenty Russian Soldiers Said Killed

LD1407140393 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 14 Jul 93

[Report by Alisher Khodzhayev from Tajikistan; from the "Novosti" newscast]

[Text] According to the Russian Border Troops headquarters, as a result of yesterday's attack by Tajik and Afghan mojahedin on the 12th Border Post, 20 Russian border guards were killed, 30 wounded, and 18 are still missing. Details of the attack are reported by telephone by our own correspondent.

[Begin Khodzhayev recording] At 0400 on 13 July, a well-armed group numbering as many as 200 from the Tajik opposition and reinforced with Afghan mojahedin made a daring attack on the 12th border post of the Moskovskiy border guard detachment. Unequal fighting broke out. The situation was complicated by the fact that the border guards received an unexpected blow from behind: They were bombarded by fighters located on their territory. The post's lines of communication were broken. The border defenders were repulsing the attacks of the superior forces of the enemy on two fronts, as it were. According to preliminary data, the border guards lost eight [number as heard] men and there were wounded.

Help was urgently sent in to where the breakthrough had been achieved, including by air. By 1900, the Russian border guards, in collaboration with units of the 201st Russian Motorized Rifle Division and the special brigade of the committee of national security, liberated the village of Sarygor and the 12th border post.

Having suffered heavy losses, the violators of the border fled into Afghanistan. The border is under guard. [end recording]

Protest to Afghan Consulate

LD1407105393 Moscow ITAR-TASS World Service in Russian 0809 GMT 14 Jul 93

[By TIA KHOVAR correspondent Igor Akhmedov for TASS]

[Text] Dushanbe, 14 Jul—The Tajik Foreign Ministry has sent a protest note to the Afghan consulate in Dushanbe in connection with yesterday's attack by Afghan mojahedin on a Russian border post unit in Tajikistan. In the note it is pointed out that "the Government of Tajikistan regards this act as a hostile and dangerous provocation and as an attempt at encroachment on the territorial integrity of Tajikistan," while the participation in it by "the commander and units of the 55th infantry division and citizens of Afghanistan may give rise to an undesirable tense situation and complicate relations between the Republic of Tajikistan and the Islamic State of Afghanistan."

Abdullodzhanov Meets Afghan Ambassador

LD1407123393 Dushanbe Radio Dushanbe Network in Russian 0300 GMT 14 Jul 93

[Text] Yesterday in Moscow, Abdulmalik Abdullodzhanov, chairman of the Council of Ministers of the Republic of Tajikistan, met Abduvahob Vosifi, ambassador extraordinary and plenipotentiary of the Islamic State of Afghanistan to the Russian Federation. Questions pertaining to returning Tajik refugees were discussed. Agreement was reached on the formation of a quadrilateral commission consisting of Tajikistan, the Russian Federation, Uzbekistan, and Afghanistan on the questions of the refugees' returning back and the speediest regulation of the situation on the Tajik-Afghan border.

Abdullodzhanov made a statement to the ambassador of the Islamic State of Afghanistan in connection with the latest attack by Tajik fighters from Afghan territory.

First Stage of Antidrug Operation Nets Large Haul

PM1407123993 Moscow IZVESTIYA in Russian 13 Jul 93 First Edition p 1

[Report by Aleksandr Karpov: "Tajikistan Steps Up Struggle Against Drugs Business"]

[Text] The first stage of the "Mak-93" operation, whose aim is an active struggle against the drugs business, has ended in Tajikistan.

To judge by the results, this year the Internal Affairs Ministry organs have stepped up the struggle against the drugs business. For the sake of comparison: During last year's "Mak" operation only three kg of hard drugs were seized. But this year the "catch" in money terms is over 2 billion rubles. The second stage of the "Mak-93" operation will begin in September.

Uzbekistan

President Signs Decree on Ending Import-Export Violations

LD1207195993 Moscow ECONOMIC NEWS AGENCY in Russian 1500 GMT 12 Jul 93

[Text] The president of Uzbekistan has signed a decree "On eliminating violations and abuses in export-import operations carried out on a barter basis." As of 16 July it forbids concluding contracts to carry out export-import operations on a currency-free basis, with the exception of oil-refining products and construction and timber materials. Within a week the Cabinet of Ministers should compile a list of goods which can be imported on a barter basis.

Russia Said Aircraft Repair Plant's 'Main Defaulter'

PM1307121793 Moscow Russian Television Network in Russian 1000 GMT 10 Jul 93

[Report by A. Minin and V. Savchenko; from the "Vesti" newscast]

[Text] [Minin] What do you think, is it profitable today, in conditions of inflation, to repair aircraft? Yes, it is, provided you get paid on time. This is borne out by the experience of Tashkent's No. 243 Civil Aviation Aircraft Repair Plant.

As you can see there are aircraft belonging to various international airlines in the plant's workshops. Most of them come from Russia, however. Partnership between Uzbekistan and Russia in the sphere of aircraft building grew up in the past. But the current sovereign relations and economic difficulties have added negative features, typical of present-day life.

The plant is now forced to demand advance payment to enable it to survive. It is interesting that Russia, as the main customer with aircraft to be repaired, is at the same time also the main defaulter on payments. It may seem paradoxical, but it has become extremely difficult to transmit money from Russia to Uzbekistan. This Ilyushin, standing here in the open, is one of the aircraft on which payments are outstanding.

Armenia

CSCE Chairman Welcomed in Nagorno-Karabakh

LD1307134793 Moscow ITAR-TASS in English 1212 GMT 13 Jul 93

[By ARMENPRESS for TASS]

[Text] Yerevan July 13 TASS—Mario Raffaelli, chairman of the CSCE Minsk group for Nagorno-Karabakh, finally succeeded to reach the enclave on Tuesday [13 July].

"Karabakh people welcome the arrival of Raffaelli and hope it (the visit) will give a new impetus to the peaceful settlement", spokesman of the Nagorno-Karabakh parliament Gegam Bagdasaryan told ARMENPRESS.

According to the Self-Defence Headquarters, the situation is quiet in the enclave.

Raffaelli had to change the itinerary for the third time to arrive to Stepanakert.

Initially, he was to leave for the administrative centre of the enclave from the Azeri city of Agdam, but had to return back to Baku because Armenians failed to guarantee his security on the way from Agdam to Stepanakert.

Raffaelli then said he planned to reach Nagorno-Karabakh via Georgia.

However, on Tuesday he arrived onboard a helicopter from Baku to Yerevan where the craft was refuelled and took off for Stepanakert.

Visit Yields 'No Results'

LD1307181593 Moscow ITAR-TASS in English 1756 GMT 13 Jul 93

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow July 13 TASS—Talks of the Chairman of CSCE Minsk Group of Countries Mario Raffaelli with Nagorno-Karabakh authorities yielded no results, according to head of the Press Department of the enclave Marsel Petrosyan.

He told TASS by telephone on Tuesday [13 July] that Raffaelli himself refused to provide any comments on the talks.

Petrosyan said that no agreement was reached on the terms of fulfilling the CSCE schedule of withdrawal and regretted that the mission which discussed the Karabakh problem for the first time in the enclave itself did not find time enough to complete the discussion of the issues in question.

According to several reports, the Karabakh authorities linked the fulfilment of their obligations with the necessity to stabilise the situation in the region.

CSCE Plan Linked to Stabilization

NC1407105693 Yerevan SNARK in English 1012 GMT 14 Jul 93

[Text] Yerevan, July 14 (SNARK)—Today Mario Raffaelli has left Stepanakert for Yerevan. It has been already mentioned that Raffaelli had to spend a night in Stepanakert because of the helicopter's emergency.

As it is known, the carried negotiations gave no concrete results. The Karabakh leadership expressed its regret mentioning that the CSCE delegation was discussing the Karabakh problem in Karabakh for the first time had no time to fulfil the negotiations on terms and way of the CSCE plan realization.

The Karabakh side is going on with connecting the realization of the CSCE plan with the stabilization of the political situation in the region.

Azerbaijanis Violate 'Private Armistice'

NC1407105093 Yerevan SNARK in English 1012 GMT 14 Jul 93

[Text] Stepanakert, July 14 (SNARK)—Last night Azerbaijan shelled positions of the Karabakh forces in Askeran region from the territory of the Agdam region. The Karabakh Department of Press and Information told SNARK the Karabakh side retaliated. No reports on victims.

So, Azerbaijan violated the existing private armistice which is closely connected with the Mario Raffaelli's visit.

Azerbaijan

Aliyev Receives CSCE Mission After Visit to Agdamskiy

LD1307154293 Moscow Mayak Radio Network in Russian 1338 GMT 13 Jul 93

[Report from Baku by KHABAR-SERVIS news agency correspondent Lada Klokova]

[Text] On the evening of 12 July there was a meeting in Azerbaijan's Supreme Soviet between Geydar Aliyev, acting president of the republic, and Mario Raffaelli, chairman of the Minsk conference on settlement of the Nagorno-Karabakh conflict within the CSCE framework, who has returned to Baku from a trip to Agdamskiy rayon. Let me recall that the Italian diplomat had intended to go from Agdam to Khankendi [Stepanakert].

However, as the KHABAR-SERVIS agency was told by Azerbaijan's State Adviser on Foreign Policy Vafa Guluzade, despite official assurances from Baku, the Armenian side convinced Raffaelli that the road from the rayon center Agdam to the capital of Nagorno-Karabakh was completely mined. Because of this the head of the CSCE mission changed the program for his

stay in the region. On 13 July he flew to Tbilisi, from whence he is setting out for Khankendi.

Speaking with acting President Geydar Aliyev, Mario Raffaelli expressed satisfaction at the results of his visit to the combat zone. The Italian diplomat said that he was struck and deeply touched by the plight of the people who were forced to leave their homes by the war. Raffaelli said that the CSCE military expert accompanying him on his mission, General Beckman, had gotten a picture from a professional point of view of the current situation in the combat zone. He stressed that all this is creating good preconditions for the normal conduct of further talks.

Geydar Aliyev, speaker of the Azerbaijan parliament, also expressed satisfaction that there were no incidents during the trip to Agdamskiy rayon and stressed that he was glad to see the members of the CSCE mission in Baku once again, all in one piece and unharmed.

The most important thing is that today has brought a final result and the time when a program for settlement of the conflict comes into force a little bit nearer, Geydar Aliyev said. He stressed that Mario Raffaelli could travel from Agdam to Khankendi and that he is personally confident that the road to Nagorno-Karabakh is not in the least mined. Geydar Aliyev noted that he should state that Mario Raffaelli returned from his trip with grave sentiments. In this respect he stressed: "If your mission over this year can achieve something, the sorry picture which you saw there might cease to exist."

Geydar Aliyev expressed hope that during his talks in Khankendi Mario Raffaelli will succeed in convincing the Armenian side of the senselessness of continuing the conflict. The parliamentary speaker also expressed the wish that the meeting in Khankendi will be the end of the beginning of the process of peace talks and the withdrawal of the Armenian Armed Forces from occupied territory.

It is expected that Mario Raffaelli will arrive in Baku from Khankendi this evening. Immediately after his arrival there should be a fresh meeting between the Italian diplomat and acting President of Azerbaijan Geydar Aliyev.

Meanwhile, the situation in the combat zone remains strained. According to analysis carried out by the information and analysis center of Azerbaijan's Defense Ministry, as a result of a major offensive in the direction of Agdam, the Armenian forces have succeeded in taking exceptionally advantageous positions around the rayon center of Agdam. During attacks from 12 to 28 June the Armenian forces took the Agdam-Agdere road, which is one of the main reasons for this latest loss. Having taken Agdere and deployed additional forces on the approaches to Agdam, the Armenian forces started a new offensive against Agdam on 4 July. These Armenian troops were not able to go straight into the city: on 4-5 July combat detachments moved into its western and southwestern suburbs and shelled Agdam through open sights from a distance of half a kilometer. All the settlements to the south of the city were taken, as well as three to the northwest.

The intensity of combat actions lessened by 9 July in connection with the visit by Mario Raffaelli, chairman of the Minsk conference. As a result, the Armenian forces have occupied 22 settlements in the rayon, including a number of southern and southwestern suburbs of Agdam, which is now virtually besieged. All these circumstances are conducive to a new Armenian attack on Agdam which the enemy side is (?already) preparing, taking advantage of the lull in combat operations connected with Raffaelli's mission. At the same time there is an information cover-up of the attack which is being prepared. This is precisely what the report from Armenian sources of attempts by Azerbaijani troops to attack Askeran is about. It is possible that in that situation the Azerbaijani troops would not be able to operate effectively on that sector of the front, but would be obliged to (?defend) Agdam against the immediate threat of falling.

Analytical Center Updates Situation 10-11 Jul

NC1307130293 Baku Radio Baku Network in Azeri 1900 GMT 12 Jul 93

[Text] Compared with the violent clashes in Agdamskiy Rayon several days ago, the situation has remained calm in that area during the past two days. Observers have linked this state of affairs with the arrival of Mario Raffaelli, chairman of the CSCE Minsk Conference, and his peace delegation in the region. However, the Armenian Armed Forces have moved to use the temporary lull in the fighting to deploy additional reinforcements and military equipment on the battlefields.

The Azerbaijan Ministry of Defense Analytical Information Center has informed AZERTAC on the situation at 1800 on 11 July as follows:

Our observers have recorded that the Armenian Armed Forces dispatched several military convoys composed of armored vehicles and trucks to our occupied areas through the Lachin corridor during the past two days. Alibeyli and [place name indistinct] in Tauzskiy Rayon were attacked on 10 and 11 July. Armenian infantry units attacked the two towns after a wave of preparatory artillery fire. The defenders of our towns halted the enemy attacks and evicted the occupationist units from our border. Several people were wounded in Alibeyli as a result of intensive firing. Meanwhile, [words indistinct] in Dzhebrailskiy Rayon were fired on with various types of arms.

Elchibey Says He Remains Legitimate President

LD1307122093 Moscow ITAR-TASS in English 1119 GMT 13 Jul 93

[By ITAR-TASS correspondents Sevindzh Abduliayeva and Viktor Shulman]

[Text] Baku July 13 TASS—President Abulfaz Elchibey of Azerbaijan told ITAR-TASS by telephone today that he has repealed his own decree which [he] transferred the bulk of his powers to Gaydar Aliyev. He said his decision was made after the "parliament rejected my decree and adopted under armed pressure a decision stripping me of all power.

"I do not accept that decision, which I consider unconstitutional, and remain a legitimately elected president, which cannot be denied by anyone," Elchibey said.

Elchibey said that mass meetings organised by the Popular Front in Baku were "a natural and correct step". Although three months ago he himself had signed a decree to introduce the state of emergency in Azerbaijan and ban all mass actions on the republic's territory, now the president says that mass rallies are "a democratic means of struggle for the people's rights".

According to Elchibey, "the present authorities are trampling the rights of the public and political movement" headed by himself. Hot on the heels of his departure for Nakhichevan, "supporters of the Popular National Front were subjected to repressions and they were persecuted". On the whole, everything is being done to isolate politically both himself and the Popular Front, the president said.

He called allegations that there are armed people among those taking part in the rallies "a pure invention". "I asked people close to me about this, there is nothing of the kind", Elchibey said.

Asked about the possibility of his cooperation with Gaydar Aliyev, Elchibey said he was ready to "work jointly with all political forces" in order to preserve Azerbaijan's integrity and unity, solve the Karabakh problem, prevent civil war and achieve national concord.

According to Elchibey, he can return to Baku at any time and address a National Assembly session convened to hear the report of the deputy commission which investigated the events in Ganja for which he says he is to blame.

But Elchibey said he would return to the capital only on condition that "all units subordinate to Surat Guseynov must leave Baku, stability must reign in the city and the National Assembly must repeal its illegal decision".

Elchibey Sends Letter to President Clinton

NC1307150893 Baku TURAN in English 1222 GMT 13 Jul 93

[Text] Baku, July 13 (TURAN)—July 12 Azerbaijani President Abulfaz Elchibey has sent the letter to the President of the USA William Clinton, in which he expressed gratitude to American Government and to William Clinton for backing democracy and legal power in Azerbaijan.

The letter runs, that "pro-communist anti-governmental forces, using the weapons, having left in Ganja by Russian forces, started June 4 uprising, which completed with state coup in Baku parliament June 24".

To Abulfaz Elchibey words, "some circles want the repetition of Tajik and Georgian scenario in Azerbaijan. I fled the capital of the republic to avoid it".

Abulfaz Elchibey points, that "attempts to restore communist system in Azerbaijan are making with an aim to suppress the shoots of independence and democracy within former Soviet Union, not to allow strengthening of relations between young independent states and Western world".

"Taking into account, that your country is guarantor of democracy, market economy and independence, I address an apply to you to defend democracy and human rights in our region", runs in the letter.

The document expresses hope, that President of the USA will play significant part in implementation of the USA, Russia and Turkey peaceful initiative on Kelbadzhar, and that will help to create favourable conditions for developing of democracy in Armenia and Azerbaijan.

Etibar Mamedov Wants Elchibey Back

MK1307133093 Moscow SEGODNYA in Russian No. 33, 13 Jul 93 (signed to press 12 Jul) p 4

[Mekhman Gafarly report under the "Power" rubric: "Popular Front Raises Its Voice. They Want To Restore Elchibey in the Post of President"]

[Excerpts] Despite the fact that Geydar Aliyev, Supreme Soviet chairman and Azerbaijan's acting president, is confidently implementing his personnel policy, the disgraced President Abulfaz Elchibey, with the help of his People's Front comrades, is going to return to Baku to exercise his presidential powers. [passage omitted]

President Elchibey has also been backed by Etibar Mamedov, chairman of the National Independence of Azerbaijan party, who is dissatisfied with "splitting" power with Aliyev. Mamedov was offered the post of the republic's prime minister, and he followed with a demand that presidential powers be handed over to Aliyev. But when Surat Guseynov was appointed prime minister, he returned to the opposition. He was not satisfied with a two-day closed-door talk with Aliyev. Aliyev is on record as having offered Mamedov the post of foreign minister. This time around Mamedov claimed for himself the post of state secretary, at least provided that the Ministries of Foreign Affairs and Foreign Economic Relations be placed under him. When this was refused, he began demanding the creation of a coalition government and Elchibey's return to the post of president. Local observers think that this sort of "hypocrisy" on Mamedov's part sent his rating plunging. Unlike Mamedov, Aliyev and Guseynov have retained their ratings. The People's Front continues to blame them for

military failures in Karabakh. According to Gabil Rustamov of the Azerbaijan's People's Front press service, following the coming to power of Surat Guseynov, Azerbaijan lost Agdam Rayon, having retained only the rayon's center. Your SEGODNYA correspondent, however, was told at the press centers of the republic's Supreme Soviet and Defense Ministry that the Azeri Army "is gradually recovering" and that it had freed the villages captured earlier by the Armenians in that rayon.

Georgia

Shevardnadze Addresses Parliament Session

LD1307214593 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 13 Jul 93

[Speech by State Council Chairman Eduard Shevardnadze to parliament session in Tbilisi; broadcast in progress—live]

[Excerpts] ... we restored railway bridges yesterday. The damaged intervals were repaired. The first trial train with foodstuffs and equipment necessary for the war arrived in Sukhumi yesterday.

We think that our armed forces, that all units, have passed this test with dignity, although it should also be said that the landing of the assault force could have been averted and that things should not have gone that far. As always, some qualities that are typical of us as a young state have been revealed. These include a certain degree of irresponsibility, negligence, lack of experience and professionalism, as well as many other qualities. Unfortunately, these qualities show themselves not only in this field but also in everyday life. Be that as it may, we tackled this serious task successfully.

Moreover, we have sent armed forces to Sukhumi and arms in quantities that are necessary to reinforce the town defenses. I must say that strong forces and a large amount of modern equipment are concentrated on the opposite side, and fierce battles are going on. I am speaking about the Gudauta direction. The day before yesterday, yesterday, and to a certain extent today, the situation in the other direction [the Ochamchire front] has been relatively stable, but new complications cannot be ruled out. We are aware of some of the plans of the other side. This is why it was necessary to reinforce the Sukhumi defenders with the required forces and arms. I hope that what has been done so far meets their requirements.

After this, I allowed myself to return. However, I must tell you that any minute I am ready to go back. Before I left yesterday [as heard], I spoke with leaders, the defense minister, and other military and civilian leaders and told them that although I was in the capital, I was ready to return to Sukhumi if necessary and take the appropriate measures to defend the town.

The situation is more stable in the Ochamchire direction. Some operations were carried out yesterday; others may be carried out today. I think that the operational and political situation and so on will be more stable and reliable in this area.

You know about the situation in Sukhumi. Many of you visited the town. It is no longer the town we knew. Sukhumi has been devastated, as they say. However, the morale and spirit of the people of Sukhumi is high. Many residents remained in the town and are defending their town with dignity. Despite the fact that they are starving, there is no water or electricity, and the town is subjected to almost daily shelling, atrocious and Fascist-style shelling, the people are enduring it without complaining and [word indistinct]. I was amazed by this. Only occasionally would one hear complaining. Otherwise, the main topic of discussion and debate was how to defend the town better, how to save Georgia and its unity and integrity. [passage omitted]

You may be asking how we, a small nation, manage to create such an army and conduct such large-scale operations. You have known before that the so-called third force—who represents this third force is probably not worth discussing now, as it would achieve no results; we know this well—has in practice given the green light, as they say, encouraged and supported the formation of separatism as an ideology, trend, and movement with finances, manpower, weapons, and everything necessary for war. This separatism has always, today and in the past, received generous help. I will tell you a little later how to fight this phenomenon.

We believe that the forces and weapons that we have in Abkhazia now meet the requirement. I am not going to give the numbers of servicemen or amounts of equipment, because it is not necessary. But I repeat that if we defend our state interests in an organized manner, it will be quite enough for today. At the same time, I would like to ask our towns and rayons to think about reservists where it is possible. We should have reservists; otherwise, it will be impossible to achieve the ultimate goal. I am asking all rayons—Almost all rayons are contributing as much as they can. Thank you all very much, but it is not enough.

I went as far as thinking of declaring a state of emergency and a general mobilization, but taking into account our situation with material and financial resources, weapons and so on, I think that such a declaration would not achieve the result it has been designed to achieve. This is why we should leave this as a last resort, which should be used if the situation becomes even worse.

Nevertheless, I am appealing to everyone: let us assume that such measures have been announced. Whoever has an opportunity to acquire weapons, to have weapons, or has weapons, whoever has basic skills and wishes to take part in the struggle for the unity and independence of the native land, should join the ranks of defenders of the country. [passage omitted]

I would like to tell you that parliament's decision to grant extra powers to the head of state was not a

formality, and the last 10 or 11 days have convinced me that you made the right decision on this issue. These powers have not been flaunted but used. They were used appropriately to call ministries, agencies, rayons, and so on to account and to introduce some elements of good organization and discipline in our policy and struggle to solve the problems in Abkhazia. [passage omitted]

I would also like to thank all of you in parliament. Without your support, it is practically impossible to solve our tasks in Abkhazia. When I was leaving, I was given full support, and we joined forces and solved these problems at this stage—I repeat it, at this stage, because the next stage may be more difficult—was a result of a single-minded action on the part of parliament and the authorities, and our action was a manifestation of our unity.

At the same time, I must say that there is much food for thought and concern about the formation of our unified army. I spoke about heroes and heroism, but it should also be said in public that unfortunately there are numerous instances of desertion, alarmism, and irresponsibility. I am not saying that there are thousands of these, but there are many incidents. Sometimes one incident with desertion can cost the country and its people more than one would imagine. Abandoning one's tour of duty may result in 20 or 30 people falling victim to it. I would also like to tell you that the casualties—unfortunately there are casualties; I cannot give you the numbers, because not all have been recovered yet; some are still in the woods and marshes; the boys died, some from a bullet, others from starvation, because it was impossible to get there; everything will probably be established and we will speak about it later; the casualties are high—the number of casualties could have been halved, more than halved, were it not for desertion and alarmism, had everyone attended to their duties, had communication problems been settled, had there been the opportunity for a corps commander to speak to a battalion commander. These issues may seem to have been solved, but the requirements are not fully satisfied. We have now applied ourselves to this task and hope to achieve it gradually.

There are other problems. Let us consider elementary training. There is no opportunity for people to go through a two- or three-day training period. Committing such unprepared people to combat operations leads to heavy casualties and a great disaster. We have discussed these issues with commanders. They understand their tasks properly. I think we will draw appropriate conclusions from these bitter lessons. [passage omitted]

What are the prospects for ending this war; when will it end; how will it end? I will make a few remarks on this.

The final establishment of peace in Abkhazia and Georgia, I must tell you directly. However active and efficient the Security Council's and European structures' involvement is, our experience and lessons of the last five or six months indicates that it is very difficult without Russia, if not impossible. I have already said once that the key to settling this conflict lies in Moscow. By saying this, I would not like to ignore the role of international organizations at all, but I must also say that conflicts like this—unfortunately, people are getting used to this.

There are more than one or two conflicts on earth. Despite the fact that we are receiving very active support from these organizations, in practice, we have not seen the speed and desire to act decisively that are necessary at a time like this. A more academic style has developed over the past decades, and we are experiencing it ourselves.

Reorganization and restructuring of these organizations, rather, of the United Nations, has been on the agenda for a long time. This failed to be implemented, and we are, to a certain extent, suffering as a result of this.

On the other hand, I would not like... [pauses] This decision, this resolution adopted by the Security Council had great importance. It is almost unprecedented that in the course of a few months three decisions were adopted on one conflict. Their decision to send observers is also very important, but again, there are conditions attached. If a cease-fire is achieved and bloodshed is stopped, only then will observers arrive and so on. Some compromise has now been reached. It looks as if 10 people will arrive before a cease-fire is in place. However, these discussions and debates take time, days and months are lost, so that the results cannot be reached earlier.

In this connection—if it is not a superficial observation—my observation is that in the Russian policy recently... [pauses] When I speak about the policy, I include everything, not just the ruling group, the ruling elite or the president, but also the people who have so far presented us with problems. I am talking about the politicians who have encouraged Abkhaz separatism. I think that support for aggressive separatism will rebound on Russia like a boomerang, and its is rebounding on it in fact, in some instances.

This elementary truth must be understood and the process of understanding is under way. This is how I see it. At least, this is my observation. As a result of this turnabout in Russian policy, we must hope the war will finally come to a dignified end. I am saying again: Russia's negative attitude toward Georgia on the part of certain circles will cost Georgia dear. It has already cost Georgia dear, and in future it will also be connected with serious difficulties.

If the positive trends in Russia's policy continue, I am stating that Georgia will be ready for active cooperation and friendship. Their good attitude will be matched by our good attitude. Their good steps will be met with our understanding and readiness for cooperation. This is what I would like to say to parliament today. We are ready for cooperation. I would like very much to express the hope that the small positive trends that have been developing in the Russian policy toward this conflict—a higher degree of neutrality, the sealing of the border, at

least, acknowledging the necessity for this, efforts not to let volunteers through, a cut in sending equipment and war materials and much more which perhaps should not be discussed here—persist, Georgia will be ready for more active cooperation, friendship, and good-neighborly relations with this large country.

I would also like to say that we have enormous difficulties of our own and the main task and problem for us is to achieve the unity and territorial integrity of Georgia and generally the unity of the nation and the peoples living in Georgia, but we also would like to wish unity and integrity to Russia. We want to deal with a united, strong, and developed, highly developed Russia. This is in our national interests. If we speak about ultimate goals and objectives, our interests, Georgia's national interests and Russia's national interests do not contradict each other. If our Georgian politicians and the Russian politicians understand this well, I think we will be able to cooperate and this conflict may finish very soon. [transmission ends]

Further on Shevardnadze Comments

LD1307172893 Tbilisi CONTACT INFORMATION AGENCY in Russian 1515 GMT 13 Jul 93

[Text] [no dateline as received] "I have come back from Sukhumi to Tbilisi, but I am ready to fly back there again at any time," declared Eduard Shevardnadze, head of the Georgian state, speaking at the sitting of parliament of the Republic of Georgia. In his speech he outlined the situation that has come about over the past few days in the conflict zone and shared his impressions received during his visit to Sukhumi. Eduard Shevardnadze announced that the quantities of ammunition, military hardware, and manpower necessary to defend the town had been transferred to Sukhumi. The more so, in that, according to data available to the Georgian leadership, an attempt at another storming of Sukhumi is not ruled out. The head of state declared that the amount of manpower and equipment fully meets the demands of the situation in the conflict zone. Therefore, a general mobilization, in his view, will only be an extreme measure.

Eduard Shevardnadze gave a positive assessment to parliament's decision to grant him additional powers. He stressed the role of Tbilisi and its people, who are giving Sukhumi great support at this time, and also the role of the Georgian mass media. He noted that positive shifts have also been noted in the matter of forming a single army. Alongside certain achievements, Eduard Shevardnadze did not fail also to pay attention to a number of problems on the agenda.

Eduard Shevardnadze paid special attention in his speech to the role of Russia in the matter of a cease-fire in Abkhazia and a definitive settlement of the conflict. He declared that a final establishment of peace in Abkhazia and throughout Georgia is very complex without the participation of Russia. The key to a settlement of the conflict lies in Moscow. In the opinion of the Georgian leader, support for aggressive separatism, just like a negative attitude to Georgia, will boomerang on Russia. However, if positive shifts, which have recently been clearly visible, are again to be seen in the policy of the Russian leadership, then Georgia will be ready for cooperation with Russia. We want to deal with a strong and democratic Russia, declared Eduard Shevardnadze.

The Georgian head of state also noted the importance of the support being given by international organizations, in particular the resolution adopted by the UN Security Council.

In conclusion Eduard Shevardnadze called on parliament and the entire Georgian people to take a fresh look at prospects for economic cooperation with Russia and other countries.

Parliament Speaker on Fighting

LD1307164793 Tbilisi CONTACT INFORMATION AGENCY in Russian 1515 GMT 13 Jul 93

[Text] [no dateline as received] At today's sitting of the Georgian parliament, Speaker Vakhtang Goguadze announced that Georgian troops in Abkhazia have taken the village of Labra in Ochamchire rayon and two strategically important heights.

Head of Cease-Fire Delegation on Readiness To Sign Agreement

LD1307133093 Moscow ITAR-TASS in English 1250 GMT 13 Jul 93

[By ITAR-TASS correspondent Igor Gvritishvili]

[Text] Moscow, July 13 (TASS)—"The plenipotentiary delegation of the Republic of Georgia confirms its readiness to sign an agreement on ceasefire in Abkhazia and on a mechanism of its verification without any preliminary conditions advanced", Sandro Kavsadze, plenipotentiary representative of the head of the Georgian state and head of the delegation at the ceasefire talks, told a news conference on Tuesday [13 July]. He made this statement in connection with the unwillingness of the Gudauta side to sign an agreement on ceasefire suggested by the Russian delegation and endorsed by Georgian officials. The Gudauta side has thus actually frustrated peaceful settlement of the conflict in Abkhazia, Kavsadze said. He believes the Gudauta side takes any Georgian concession at the talks as a sign of weakness and banks of solving the conflict in a military way in order to impose its terms on Georgia.

As is known, Boris Pastukhov, personal envoy of the Russian president and deputy foreign minister, made a statement on Monday stressing that "the Abkhazian side links the signing of the ceasefire agreement to new preliminary conditions. Because of this, the agreement on ceasefire in Abkhazia has not yet been reached".

Talks in Moscow 'Broken Off'

LD1307180193 Moscow Russian Television Network in Russian 1600 GMT 13 Jul 93

[By correspondent V. Skvortsov]

[Text] Although the participants in the Georgian-Abkhaz talks continue to declare one after the other that they are prepared to sign a truce agreement, the document has still not been signed.

As Sandro Kavsadze, the personal representative of the head of the Georgian government, said today, the present stage of the talks has been broken off by the Gudauta delegation, which insists on including in the text of the agreement a point about returning the legitimate government to Sukhumi and guaranteeing that it will function normally.

The Georgian side, which initially proposed signing a truce without any preliminary conditions, had already agreed to a compromise decision on the withdrawal of Georgian roops, which the Abkhaz side had insisted on. However. Tbilisi considers that, after the cessation of combat actions, elections should be held and a new government of Abkhazia should be formed. The Abkhaz delegation does not agree with this and has refused to sign the document which appeared to have already been agreed. The talks in Moscow have been broken off.

Russia's Shakhray Proposes Peacekeeping Force

LD1307201093 Moscow ITAR-TASS in English 1952 GMT 13 Jul 93

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi July 13 TASS—Russian Deputy Prime Minister Sergey Shakhray proposed to settle the conflict in Abkhazia according to the scenario used to secure peace in another conflict area of Georgia - South Ossetia.

"Evidently it is possible to use in Abkhazia the scheme of deploying peace-keeping forces similar to that which was used in South Ossetia", he said commenting on a meeting on problems of the Northern Caucasus which was held in Sochi on Tuesday [13 July] and was attended also by Foreign Minister Andrey Kozyrev.

"Otherwise it is impossible to stop the bloodshed", he added.

To end the Georgian-South Ossetian conflict a joint force of Russian, Georgian and Ossetian peace-keepers (from neighbouring North Ossetia) was sent to the region exactly a year ago. Shakhray was evidently proposing a joint force of Russian, Georgian and North Caucasian peace-keepers in Abkhazia.

"There is no war (in South Ossetia). It is true that there is no stable life, but people are not killed", Shakhray said.

He informed that Kozyrev had reiterated the Russian stand for the preservation of Georgian territorial integrity with guarantees of Abkhazian autonomy. Russia can act as such a guarantor, Shakhray said.

He added that the Sochi meeting which discussed the situation in the North Caucasian hotspots and the impact of the Abkhazian conflict on the region was necessary to help the Russian president, parliament and the government to act "more definitely and resolutely".

Abkhaz Delegation Denies New Demands

LD1307210693 Moscow Radio Rossii Network in Russian 2000 GMT 13 Jul 93

[Text] The Abkhazian Foreign Ministry has confirmed the Abkhazian leadership's interest in seeing an end to the war and in arriving at a political settlement in relations between Georgia and Abkhazia. (Anri Dzhevgeniya), head of the Abkhazian delegation at talks in Moscow, denied the statement by Russia's Deputy Foreign Minister Boris Pastukhov about the new demands made by the Abkhazian side that the legitimate bodies of power resume their activities in Sukhumi. The News and Information Agency quotes him as saying that these talks were apparently broken off.

Meanwhile, the Georgian leader's personal envoy Sandro Kavsadze has accused the Abkhazian side of ruining the Moscow talks and emphasized that Georgia is ready to sign a cease-fire agreement in Abkhazia.

Government Warns of Attack Unless Abkhaz Forces Pull Back

LD1307164693 Tbilisi CONTACT INFORMATION AGENCY in Russian 1515 GMT 13 Jul 93

[Text] [no dateline as received] Today the Defense Ministry of the Republic of Georgia issued a statement in which it says that the situation in Abkhazia is causing alarm and indignation not only to the public of Georgia, but to the whole world. Attempts by the Georgian side to solve the conflict by peaceful means have not brought success. Proof of this is the repeated violations by the Abkhazian side of the agreements of 3 September 1992 and 14 May 1993. Furthermore, it says in the statement, against a background of negotiations being held in Moscow, the bombing of Sukhumi is continuing, civilians are being killed and attacks are being mounted against Shroma and Akhalsheni villages.

It must be noted that representatives of the Gudauta group are using the peacemaking process started by the Georgian Government to increase their military power.

Proceeding from the aforementioned, and considering that the Abkhazian side does not want a settlement of the conflict by peaceful means, an ultimatum is presented to it with the following content:

"Unless within 24 hours from 0000 on 14 July the Abkhazian side withdraws its formations from the region

of Shroma and Akhalsheni villages and stops the barbaric artillery shelling of Sukhumi town, the armed forces of Georgia will undertake a widescale offensive on the Gumista front in the direction of Gudauta.

"In that case," it says in the statement, "the entire responsibility for possible consequences lies with the leadership of the Gudauta group."

Report on Georgian Army Successes Against Abkhazians

LD1307182393 Moscow Russian Television Network in Russian 1600 GMT 13 Jul 93

[By correspondent G. Ratishvili; from the "Vesti" newscast]

[Text] Today, after fierce battles, Georgian armed forces units seized two strategic heights near the village of Shroma, also today Georgian Army units liberated the village of Labra in Ochamchira rayon. Operations are being carried out to eliminate small groups of enemy guerrillas.

The town of Sukhumi was once again subjected to shelling from large caliber howitzers and Grad rocket system installations. Shells exploded in the town's housing areas. The number of casualties and the amount of destruction is being clarified.

Abkhazians Accuse Georgians of Killing POWs

LD1307202693 Moscow Russian Television Network in Russian 1900 GMT 13 Jul 93

[From the "Vesti" newscast]

[Text] The commission for the affairs of POWs and the protection of the rights of the civilian population of the Abkhazian parliament has accused the Georgian side of violating the Geneva Convention on the protection of the victims of war. The commission has stated that Georgian commanders are keeping the names of POWs secret. Facts are cited in the document on the murder of Abkhazian POWs in Sukhumi hospitals.

Shevardnadze Grants Emergency Powers to Local Bodies

AU1407071093 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 9 Jul 93 p 1

[Order from the Georgian Head of State "On the Granting of Temporary Emergency Powers to Rayon (Town) Gamgeoba (local administrative board) Chairmen (Mayors)"; place and date issued not given]

[Text] Proceeding from the serious military and political situation that has taken shape in the republic and in order to carry out the orders of the Georgian head of state-commander in chief of the armed forces, rayon (town) gamgeoba chairmen (mayors) are to be granted temporary emergency powers:

1. To implement all measures established in existing Republic of Georgia legislation in order to ensure public order, state security, and the functioning of vitally important facilities in the national economy;

2. To introduce a special working regime in departments and public and economic organizations; to establish control over the utilization of their resources and economic activities in order to strengthen the defense capability of the state;

3. To appoint and dismiss the heads of enterprises, institutions, and organizations with the consent of ministries and to resolve such questions efficiently;

4. For the purposes of defense, to carry out the mobilization of citizens; to involve able-bodied citizens in the work of enterprises, institutions, and organizations;

To transfer temporarily blue and white collar workers to those jobs that are not stipulated in their labor contracts.

To implement other measures provided for in Republic of Georgia legislation.

[Signed] E. Shevardnadze

Estonia

Laar Defends Legislation on Citizenship, Foreigners

PM1307164093 Stockholm SVENSKA DAGBLADET in Swedish 10 Jul 93 p 2

[Interview with Prime Minister Mart Laar by Cecilia Stego on 7 July; place not given]

[Text] What are the Estonians up to exactly? Many people are bound to have asked themselves this question after the recent Russian accusations of violations of human rights and reports of widespread international criticism of the new law on foreigners, which was adopted just before midsummer. The law was discussed for a second time the day before yesterday by an extraordinary session of parliament.

Since 1991 the Estonian Government has tried to come to grips with the political and legal problems that have arisen in the wake of the transition from a Soviet republic to a sovereign state. The new law on foreigners is only one link in a long chain of decisions that can be difficult to understand if they are not put into their correct context.

In this interview, which took place the day before the extraordinary session of parliament, Prime Minister Mart Laar gives his view of the "legal logic" of independence and of recent developments.

[Stego] After independence the Estonian people decided in a referendum to reestablish the Estonian state that existed in the period between the wars. Thus, you did not choose to found a new state and base citizenship on "the de facto population." Why was it so important to reestablish the old state—without this the problems regarding the status of minorities would not have arisen?

[Laar] That was a question that was not only important to us but also to the whole international community. It was a question of defending right and justice. Estonia never chose to join the Soviet Union. Estonia was occupied. For the Estonians, who suffered much through all those years, the reestablishment of the old state became a psychological necessity. From the legal and political viewpoint it meant that we were no longer included in a number of Soviet treaties and that we could quite legitimately view the foreign military presence in our country as unnatural.

[Stego] The parliament adopted a citizenship law which meant that non-Estonians were forced to apply for citizenship, and this required a certain knowledge of Estonian and a declaration of loyalty. Despite these requirements you have described the law as one of Europe's most liberal. Would you like to explain why?

[Laar] Many Western countries lay down much tougher requirements than we do. With a few exceptions all those who are resident in Estonia have the right to seek citizenship after only two years in the country. And the linguistic requirements are pitched at a really low level. It is a matter of 1,500 words—something that everyone with a little determination can learn without problem.

[Stego] But it is the linguistic requirements that have caused the most upset, particularly to the Russians. They have lived here for decades without needing to learn Estonian. Now they have to in order to achieve full political rights.

[Laar] Exactly, political rights—human rights and many social rights are guaranteed for all the people who live in Estonia. The fact that the Russians do not want to learn Estonian is a psychological block that does not exist among the large Ukrainian minority, for example. However, it is important that we defend our choice that we should have an official language. If we do not, Russian will get the upper hand because almost all Estonians speak Russian. The linguistic requirement puts pressure on the minorities to accept the reestablishment of Estonia, but nothing forces them to seek citizenship if they absolutely do not want to learn Estonian. We have tried to encourage people to make a choice. It is their own business if they then choose Estonian, Russian, or Ukrainian citizenship.

[Stego] And the next step was to define the status of those without citizenship, those you call "foreigners"...?

[Laar] Yes, international organizations are drawing our attention to the problem that a large group of people belonging to different national minorities had no legal status in Estonia. In the long run a number of problems could, of course, occur as a result of this. Many laws already covered "persons with a permanent residence permit"—for example, the law on local elections and social legislation—but the group had no definition. Then there was the problem of passports. Many of those who have not yet decided which citizenship they will seek cannot travel abroad because they do not have a valid passport. This too is covered by the new law.

[Stego] You mentioned the right to vote in local elections. Why were noncitizens not also given the right to run as candidates in local elections?

[Laar] We in the government proposed that, but the parliament was not prepared to take both steps. Voting rights for noncitizens is relatively unusual in the West and parliament felt uncertain at the time of the decision. The Russian propaganda against Estonia's application for membership of the Council of Europe had been enormous and the parliamentarians feared that the Russians were trying to regain their domination over Estonia.

[Stego] Another controversial point is the "legal income" requirement. Suspicions that unemployment would mean expulsion have arisen, often in context with the possibility of the expulsion of large groups has been mentioned. What are your real intentions behind the law?

[Laar] To create a legal status for foreigners and to establish rules for how applications for residence permits are to be handled. We have never envisaged mass expulsions because of unemployment, for example.

[Stego] The picture of a heavily criticized government has become the dominant one abroad. How has this picture come about?

[Laar] It is due to the fact that many correspondents work out of Moscow. An unfortunate mixture of facts and Russian ideas has been spread as a result. When journalists actually come here and read the text of the law and the recommendations of the international organizations they do not understand why the criticism has been described as tough. As far as the CSCE and the Council of Europe are concerned, we are very grateful for their help. I believe that tomorrow's meeting with parliament will accept the Council of Europe's purely technical proposals for changes, but will decline to adopt the CSCE's more political proposals.

[Stego] What do you think future developments regarding Estonia's relations with its Russian-speaking minrotiy and with Russia will be like?

[Laar] I am very worried. Not really about the Russians here in Estonia—almost all of them want peace and quiet and calm—but about developments in Russia. There there are forces who have decided to stir up the conflict with the aim of setting a precedent. At bottom these forces do not want to let slip their influence over the region. That is why it is important to put us to the test and to get the Latvians to understand the message before they have gone as far with their economic reform work and the defense of their sovereignty as we have done.

[Stego] Did you misjudge Moscow?

[Laar] Yes, or at least the strength of some of the forces there. We must not forget that it was in Russia everything began. For a long time things were calm in Estonia, but then came the signals from Moscow and the situation in Narva, for example, changed. Moscow must be taking the view that this is the last opportunity to retain its influence over the Baltic region. Earlier there was a decrease in distrust between population groups. If discontent among the Russians here is to be exploited, it has to happen now.

[Stego] So in your negative scenario you see no end to how badly things can go unless the storm abates?

[Laar] Well, if we receive the positive signals from Moscow that your prime minister, Carl Bildt, and others have called for, I think that the situation will calm down quite quickly. I believe that then Narva's politicians will cancel their referendum and help to increase understanding of the decisions regarding minorities we have reached with the best of intentions. [Laar ends]

As pointed out above, this interview was carried out last Wednesday. On Thursday the parliament reached a decision that means that the original law on foreigners will be amended in line with the recommendations of the Council of Europe's legal experts. One of the few political reappraisals that has been carried out has to do with the position of retired Soviet officers. Instead of being forced to leave the country, they may now apply for a residence permit.

Thus the Estonian parliament has adhered to its long-established principle, but accepted the fact that legal expertise in Estonia is still limited and that therefore amendments to laws in line with international recommendations are sometimes necessary.

Naturally, no one knows what repercussions the the parliament's decision will have.

The Estonians will not give in in the face of the Russian power game. Morally there is little in this stance to object to. And as far as the political consequences are concerned, it is difficult to imagine that anyone is giving them more thorough consideration then the Estonians themselves.

Negotiations With Russia Resume; No Progress Noted

LD1407084793 Moscow ITAR-TASS in English 0738 GMT 14 Jul 93

[By ITAR-TASS correspondent Albert Maloveryan]

[Text] Tallinn July 14 TASS—Russo-Estonian negotiations were resumed here. Observes note that their first day had not yielded success.

It proved impossible to make progress in the dialogue because of the events of the latest month. Head of the Russian delegation, Ambassador Vasiliy Svirin belives that legislative acts adopted by Estonia in the first six months, ranging from the law on election to local government bodies to the law on alliance "have convinced everyone that the ruling forces are determined to infringe the rights of the Russian-speaking population in Estonia".

The sides have so far been unable to overcome alienation resulting from these laws, although the questions of the rights of non-indigenous population is only part of a wide list of themes of the interstate dialogue which is in its second year.

Delegation Head Comments on Talks

WS1307133893 Tallinn ETA NEWS BULLETIN in English 0702 GMT 13 Jul 93

["Estonian-Russian Negotiations Proceeding"—ETA NEWS BULLETIN headline; From 13 July PAEVALEHT, p 3]

[Text] Tuesday, July 13—Mr Luik, head of the Estonian delegation at the negotiation round in Lohusalu said, that prevailing at the meetings was a rational approach, although the latest developments could not but affect the

general atmosphere of the talks. Mr Luik said he was going to request for an explanation about the role of Russia in the referendum underway in North-East Estonia. The Russian side, as said by Mr Svirin, head of the Russian delegation, would beg for clarification as regards the contradictions Russia perceived between the Law on Aliens and some propositions of inter-state agreements, notably the questions of social guarantees for former Soviet military. "The Law on Aliens envisaged the deportation of the retired military from Estonia; under two documents, however which have been for all practical purposes finalized—the Troops Pullout Agreement and the Understanding on Social Security for Military Pensioners—the latter shall have the right for peaceful life. "I would like to ask the Estonian representatives, which will be considered as final then: the Law on Aliens or the agreements finalized?" Mr Svirin demanded.

Foreign Ministry Criticizes Russian Policy

AU1307131493 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 12 Jul 93 p 6

["kum"-signed report: "The Estonian Foreign Ministry Criticizes the Policy of Neighboring Russia"]

[Text] Frankfurt, 11 July—On the occasion of President Richard von Weizsaecker's visit to Estonia, the Estonian Foreign Ministry has once more criticized Russia's attempts to lastingly influence the domestic policy of the Baltic states. Despite the fact that the Estonian parliament in Tallinn has amended the aliens law, taking into consideration the protests of the Russian government, influence is being exerted on the Russian population in Estonia that does not promote harmonious coexistence between the ethnic groups, the ministry emphasized. The Estonian parliament amended the aliens law at the end of last week after protests against stipulations regulating the stay of the Russian population in Estonia. Estonia's President Meri had referred the law back to parliament and arranged for an international examination.

As the Estonian Foreign Ministry told FRANKFURTER ALLGEMEINE, representatives of the Russian minority in Estonia and of the Russian Foreign Ministry and military met in Kingisepp, east of the Estonian-Russian border last week, to discuss preparations for a referendum that is to be held next weekend [17-18 July] in northeastern Estonia where mainly Russians live. "Logistic support" for the "referendum," during which the Russian population will vote on an autonomy status within Estonia, was also discussed.

The Estonian Foreign Ministry pointed out that the Estonian government does not intend to "adopt a tougher stance" vis-a-vis the city administrations in the northeast of the country, particularly in the industrial towns of Narva, Kohtla-Jarve, and Sillamae. There are no plans to increase Estonian police units in the areas populated by Russians before or during the referendum, or even to send soldiers there. The ministry wants to "wait and see." Yet officials are irritated because, on the one hand, Moscow announced that it does not want an escalation on either side but, on the other, it continues to fan resentment against the Estonian state.

The statement by the Foreign Ministry in Tallinn also expressed concern about the trustingness of the Western states who believe that Russia no longer plans to exert pressure on the Estonian policy in the spirit of neocolonial behavior. The ambassadors of the three Baltic states with the EC complained last week that Russia might use tensions between the ethnic groups in the Baltic states as a pretext for military intervention. There are forces in the Russian Army that might try to provoke conflicts between the Russians and other ethnic groups to intervene under the cloak of safeguarding peace. The ambassadors referred to events in Azerbaijan and Georgia. The Estonian Foreign Ministry reported on maneuvers carried out by the Russian Army east of Lake Peipus near the Estonian border, several times in the past two weeks. About 7,000 soldiers of the Russian Army that occupied the country until the collapse of the Soviet Union are still deployed in Estonia.

Tallinn welcomed the Chancellor's Office's offer to mediate in Estonia's conflict with Moscow. The Estonian government also informed the Foreign Ministry in Bonn of the developments. Officials there stated that efforts to reach an understanding between the two sides are being supported. The Foreign Ministry pointed out, recently, that more attention should be devoted to the Baltic states in Germany's cooperation with Eastern Europe. Bonn's efforts are aimed at making it clear to the Baltic states and Russia that cooperation is in the interests of both sides.

Narva Mayor Criticizes Policy Toward Ethnic Russians

PM1307133193 Moscow IZVESTIYA in Russian 13 Jul 93 First Edition p 2

[Report by Leonid Levitskiy: "Narva Mayor Denies Estonian Prime Minister's Accusations"]

[Text] An attempt at self-immolation on Petrovskaya Square in Narva has been successfully averted. A 55-year-old citizen wanted to use his death to protest the government's dissolution of the city council. They managed to persuade him that the state assembly had not made this decision. The government press service blamed this act on Russian television and some Narva political forces which spread misinformation.

Over the past few days an accusatory tendency has obviously predominated at the government press service. The service has twice reported the Estonian Government's protest over Russia's interference in the republic's internal affairs. The first charge against Russia is that it printed the ballot slips for the referendum in Narva. Second, high-ranking representatives of the Russian administration met with Vladimir Chuykin, chairman of the Narva city council.

"It has come to our knowledge that Vladimir Chuykin met with a representative of the president and with staffers of the Foreign Ministry, Ministry of Internal Affairs, state security, and the border guards in Kingisepp, Leningrad Oblast," Prime Minister Mart Laar stated in a talk with journalists. "The aim of the meeting was to obtain from Russia guarantees that a referendum will be held in Narva. We resolutely protested the interference in our internal affairs. We hope that Russia will nonetheless realize the danger of the situation."

The chairman of the Narva city council, whom I telephoned, categorically denied these charges. The ballot slips, like other documents for the referendum, were printed at the Narva printing plant.

"I did indeed meet with the president's representative for Leningrad Oblast and the oblast leaders. I told them about the situation which has taken shape and the reasons that make it necessary to hold a referendum and asked them to help find a compromise and to prevent interethnic conflict," V. Chuykin said. "In just the same way I met with Swedish Prime Minister Carl Bildt and the ministers of several countries and the Swedish, U.S., and Norwegian ambassadors. We appealed for aid to the leaders of various countries, but found ourselves alone. The authorities' policy aimed at driving out non-Estonians remains unaltered."

In Chuykin's opinion, amendments to the law on foreigners will not lead to a repeal of the referendum—basically nothing has changed in it.

"As before we remain illegal immigrants. If the state assembly precisely and unambiguously made our rights equal to the rights of Estonian citizens then the need for a referendum would disappear of its own accord.

"According to the definition of the chairman of the parliament's legal commission, the author of the law, noncitizens are illegal immigrants and in terms of their social position a foreign workforce. Incidentally, the recommendations of the Council of Europe and the CSCE did not include a provision that noncitizens be regarded as lawful inhabitants."

European organizations support continuity—the restoration of the Estonian Republic. But the law on foreigners, in contrast to the law on citizenship, has nothing to do with the prewar republic. Nonetheless over 0.5 million people who came to Estonia after the war or were born here have been turned into foreigners. Now they will have to plead for a residence permit and for permission to work. Instead of a passport with a registration stamp they must obtain a limited temporary residence permit, which with time they may possibly succeed in swapping for a permanent residence permit.

Thanks to the vigorous stance of Russian and European organizations, the state assembly has made the law on foreigners considerably softer with regard to those who are foreigners against their will, the majority of whom have considered and continue to consider Estonia to be their homeland.

Germany To Promote Estonian Ties With Russia, Europe

WS1307134293 Tallinn ETA NEWS BULLETIN in English 0702 GMT 13 Jul 93

[From 13 July PAEVALEHT, p 1,3]

[Text] Tuesday, July 13—At yesterday's press-conference President of Germany Richard von Weizsacker said that Germany was going to make use of its good and trustful relations with Estonia and Russia to promote the settlement of the crisis arisen between the two states. He emphasized that the role of Germany was not one of an intermediary, but that of the quiet diplomacy. He said Germany would help pave Estonia the way to Europe. President Meri pointed out that the timing of both Mr Weizsacker's visit to Estonia and that of Mr Kohl's to Russia was proof to how seriously Germany was taking the European security and how large a support Estonia had already got. As is known, President Yeltsin has expressed his hope that Mr Kohl will use his influence to solve the problem of Russians living in the Baltics. He has said that if those problems meet with fair solution, Russia will sign the schedule of pullout of troops and carry on subject to the agreements reached.

CSCE Envoy Assured of Friendly Russian Ties

WS1307134193 Tallinn ETA NEWS BULLETIN in English 0702 GMT 13 Jul 93

[From 13 July RAHVA HAAL, PAEVALEHT, p 3]

[Text] Tuesday, July 13—CSCE High Commissioner for national minorities Max van der Stoel held a news conference yesterday, explaining the views of Prime Minister Mart Laar and the Russian-speaking community. The Prime Minister assured him of the government's willingness to develop the relations with the Russian-speaking population "in the spirit of friendship and cooperation." The government does not intend to deport Russians, including those unemployed, Stoel stressed. He added that the Estonian government promised to relieve the language requirements. Humanitarian attitudes are also displayed in relation to the ex-military. Those having received military training at the university but not having served in the Soviet armed forces will not be considered retired officers.

The government had also promised that the issue of the aliens' passports will not be accompanied by a complicated procedure. Other promises included consideration of simplified naturalization for those standing for office at local elections and measures for improving the economic situation in northeastern Estonia.

Representatives of the Russian-speaking population have promised to play an active and constructive role in the dialogue with the government, van der Stoel said. They recognize the Estonian constitution and its territorial integrity. Chairmen of Sillamae and Narva city councils assured the High Commissioner that they will recognize the ruling of the State Court, should it declare the referendum illegal. Max van der Stoel expressed his hope that the dialogue will bear fruit.

Liberal International Appeals To 'Integrate Aliens'

WS1307135393 Tallinn ETA NEWS RELEASE in English 1548 GMT 12 Jul 93

[Text] Tallinn, July 11—The executive committee of the Liberal International, meeting in Tallinn from July 10 to 11, after wide discussions of the Baltic situation, appeals to the Baltic States to show generosity and integrate aliens in the political life of these republics, Otto Count Lambsdorff, president of the Liberal International, announced at a press conference on Friday [9 July].

"Ethnic minorities' rights are part of human rights and Estonian government should be flexible in applying the law on aliens," Count Lambsdorff said.

Leader of the Estonian Liberal Democratic Party Paul—Eerik Rummo told ETA it is the aliens law that enables aliens to be integrated in Estonia's political life and participate in the local elections. The law must be enacted immediately, delaying it would justify the aliens fears of their being "left out", Rummo stressed. All 75 member parties of the Liberal International demand withdrawal of the Russian army from independent Baltic States, implementation of the resolutions on Bosnia made at the G-7 summit in Tokyo, and the immediate formation of a security zone in Sarajevo.

The annual "Freedom" prize of the Liberal International was awarded to Mary Robinson, president of the Republic of Ireland from 1990, for her active role in fighting for social and women's rights.

U.S. Ambassador Visits Narva, Meets Leaders

WS1307135693 Tallinn ETA NEWS RELEASE in English 1547 GMT 12 Jul 93

[Text] Tallinn, July 11—US Ambassador to Estonia Robert C. Frasure, visiting North-East Estonian city of Narva on Sunday [11 July], had a discussion with chairman of the city council Vladimir Chuykin, and members of the council.

Israeli Arms Deal Seen Leaked To Attract Army Recruits

PM1307154193 Moscow Ostankino Television First Channel Network in Russian 2000 GMT 10 July 93

[From the "Novosti" newscast]

[Text] A major Estonian-Israeli deal has been concluded, comprising a plan to supply Estonian [as heard] weapons worth $50 million to Tallinn. This deal was kept secret for a long time, and it probably would not have become known even now if it had not been for the Estonians themselves, who broke the vow of silence. And this happened, so observers believe, primarily because young Estonians are reluctant join the Army, and the Tallinn authorities were hoping to attract young people to a military career by announcing that weapons were being obtained from Israel.

Latvia

Ulmanis, Andreyev Discuss Russian Troops

WS1407111393 Riga LETA in English 1352 GMT 13 Jul 93

[From the "Review of Latvian Press"]

[Text] Riga, July 13 (LETA)—President of Latvia Guntis Ulmanis on Monday [12 July] met with Latvian Ambassador to Russia Janis Peters, and Latvian Foreign Minister Georg Andreyev, in an apparent bid to live up to his pledge to pay much attention to the foreign policy. The meeting was aimed mainly at getting information of the position Latvia takes in the international community and especially that of relationships between the Baltic state and Russia. Daily "Diena" writes that the relationship with Russia and withdrawal of Russian troops from Latvia are the issues the president has claimed to be the priorities of his performance in the field of foreign policy. Janis Peters points out that this statement of the president has brought about a wide response in Russia. The president has submitted a package of documents prepared by the foreign ministry, providing analysis of the global situation and covering relationships of Latvia with various areas and countries of all over the world. During the meeting the Foreign Minister Georg Andreyev pointed out that it was necessary to resume negotiations with Russia as soon as possible, therefore appointing a new state delegation of Latvia to participate in the talks should be one of the first moves of the new government.

All the newspapers are publishing materials concerning the hot topic of "KGB agents who has got elected to the Saeima". It was reported previously that members of the newly-elected Saeima have set up a commission charged with investigating performances of the Commission of Investigating Crimes of Totalitarian Regime and the Centre of Documentation of Consequences of Totalitarism. The new commission has been set up because of the alleged leak of information, which has got out of control already and which results in spreading rumours and suspicions. Heads of the commission and centre, who are alleged responsible for the information leakage, on Monday held a news conference during which they claimed they had not and would not tell the press the names of the KGB agents, until after the Saeima passed corresponding legislation. They acknowledged also that

Valdis Birkavs, a nominee for the post of ministers president or prime minister of this country, to their knowledge had not ever been an agent of the secret service of the former Soviet Union. "But what about the rest? asks daily "Latvijas Jaunatne". Issue of how will be used the materials, submitted to the Saeima, which show some of the parliamentarians have collaborated with the KGB in their time, still remains open.

Foreign Ministry Criticizes Russian Invalidation of Treaties

LD1307154193 Riga Radio Riga Network in Latvian 1300 GMT 13 Jul 93

[Text] The Presidium of the Supreme Soviet of Russia supported on Monday [12 July] a draft resolution on considering as invalid the peace treaties concluded with Latvia and Estonia in the 1920's. As representatives of the commission [words indistinct] this draft resolution explained, the Russian borders with these states as recognized in the treaties fuel the increase in anti-Russian sentiment and raise demands to revise the present borders.

In this connection Latvian Foreign Minister Georg Andreyev today submitted a note to Aleksandr Rannikh, Russian ambassador to Latvia. It says that the Ministry of Foreign Affairs of Latvia considers such a decision as an unfriendly act toward Latvia, which can only lead to further confrontation, especially because the matter concerns the peace treaty which terminated the state of war between both countries.

The Ministry of Foreign Affairs of Latvia emphasizes in the note that the resolution of the Presidium of the Russian Supreme Soviet is also an unconcealed attempt to revise the border between Latvia and Russia as defined in 1920. The Ministry of Foreign Affairs of Latvia hopes that the Supreme Soviet of the Russian Federation will be able to refrain from emotional consideration of this question and will find a [words indistinct] solution acceptable to both sides which will serve to strengthen good-neighborly relations.

It should be added that the Estonian Foreign Ministry has sent a similar note to Russia.

Delegation Member to CSCE Views Russian Army Withdrawal

LD1307112793 Riga Radio Riga Network in Latvian 1300 GMT 12 Jul 93

[Statement by Aleksandrs Kirsteins, member of the delegation that returned from a regular session of the CSCE, at a news conference "today"—recorded]

[Excerpt] A declaration was passed last year that concerned Latvia in that its fifth clause stated that Russia should completely withdraw its troops from the Baltic states, completely and in an agreed upon order. Now a year has passed, and there is no agreement on the troop withdrawal, including a schedule. Therefore, a different clause, Number 36, was now included in a political [word indistinct]. The text of this clause is approximately the following: In spite of certain progress with the Russian troop withdrawal, there are still military personnel and equipment remaining; they continue to violate the state sovereignty of Latvia and Estonia. As for Lithuania, they do have an agreement concluded.

The second interesting point is that it was intended to include a clause of exactly the same contents [words indistinct] on minorities. Approximately the following was stated in this connection: The Russian troop withdrawal from the Baltic states could avert allegedly possible violence against minorities on the part of indigenous population. At this point we protested vehemently, and together with Estonia and Lithuania—Russia also agreed to it—we succeeded in removing this clause, (?because) the troop withdrawal has nothing to do with minorities.

Two things are confused here. (?Raising) this issue I also said that there were two groups of residents: [words indistinct] 400,000 residents who form traditional minorities, with which everything is all right, and 700,000 residents are persons displaced during the occupation, who cannot be classified as minorities. If we write [word indistinct] minorities and think of army personnel then that is a very gross political mistake. Well, of course all this was listened to and the clause on minorities was removed unanimously.

The CSCE commissioner on minority issues is also very important for Latvia. [passage omitted]

Foreign Ministry Forbids Russian Army Command Exercises

LD1207142993 Riga Radio Riga Network in Latvian 1300 GMT 12 Jul 93

[Text] The Ministry of Foreign Affairs of the Republic of Latvia has submitted two notes to the Embassy of the Russian Federation in Latvia. In the first note, the Russian Government is advised that Latvia cannot allow exercises by the command personnel of the Russian Army, scheduled to take place at Dobele from 13 to 15 July, to go ahead.

With the second note, in its turn, relevant Russian departments were requested to disclose information on chemical weapons sunk in the Baltic Sea during World War II. They were especially asked to specify the region in which the weapons were sunk, as well as chemical composition of the weapons.

Latvian Navy Receives First Three German Ships

LD1307203893 Riga Radio Riga Network in Latvian 1700 GMT 13 Jul 93

[Excerpt] Today the first three ships presented by Germany were handed over in Liepaja. The agreement between Latvia and Germany on the presentation of five

German ships to the Latvian Navy was signed in February. At the beginning of June a group of Latvian naval specialists left for Germany to prepare the ships presented for handing over to Latvia. [passage omitted]

Lithuania

Brazauskas 'Interested' in Meeting Yeltsin

LD1307194793 Vilnius Radio Vilnius in English 1900 GMT 13 Jul 93

[Text] Lithuania's President Algirdas Brazauskas is interested in meeting the Russian President Boris Yeltsin at the nearest time possible. The Lithuanian leader said that as he spoke to a correspondent of the BALTIC NEWS SERVICE. President Boris Yeltsin's invitation for the Lithuanian president to come to Moscow was extended a few months ago. The time of the meeting had to be coordinated through diplomatic channels, but so far the exact date of the meeting of the two State leaders is not known.

Russian politicians hope that during the meeting of President Brazauskas and President Yeltsin a political agreement on the Russian army withdrawal from Lithuania will be signed. Boris Yeltsin refused to sign it on 8 September last year when the Lithuanian and Russian Defense Ministers Audrius Butkevicius and Pavel Grachev signed in Moscow a timetable of troop pullout, which is sucessfully being carried out.

Last September, the Russian president found the wording of some clauses of the draft political agreement unacceptable. Speaking to the Baltic News Service, President Algirdas Brazauskas voiced doubts whether it still makes sense to coordinate and sign the document in question, now that only a month and a half remains until the end of the Russian troop withdrawal, 31 August.

In the opinion of President Brazauskas, more attention should be now given to drawing up other documents, like an agreement on free trade between Lithuania and Russia or an agreement on social guarantees for Lithuanian citizens living in Russia and Russian nationals residing in Lithuania.

Brazauskas Supports Limits on 'Publicity'

WS1307141293 Vilnius RESPUBLIKA in Lithuanian 26 Jun 93 No. 122 p 2

[Interview with President Algirdas Brazauskas by special correspondent Ruta Grineviciute; place and date not given: "The President Congratulates RESPUBLIKA, but Sacrifices Publicity for 'State Interests'"]

[Text] [Grineviciute] What did the newspaper mean for your political career?

[Brazauskas] You wrote a lot about me. The truth, albeit bitter, is necessary. RESPUBLIKA's four years coincide with the consolidation of independence in Lithuania. I see the leaders of your newspaper as modern people who risk their big money and create a solid material basis. You have your home at last, and I think that you will buy this building. The government will prepare the legal grounds for this.

[Grineviciute] Do you read RESPUBLIKA yourself, or do your aides review it for you?

[Brazauskas] If I come home before nighttime, I read it myself, because I have subscribed to RESPUBLIKA since the beginning. I suppose that we have moved from one extreme to the other. Formerly, information for the press was strictly doled out. The current picture is the reverse. RESPUBLIKA thoroughly dwelled on the low quality of our money. It was a sensation, but it should not have occurred. I do not know where you obtained this information. However, you had to assess it while feeling some responsibility for the state. I do not doubt that the public must be informed, but I think that there is a limit to everything in life.

[Grineviciute] Where do you draw a limit for publicity?

[Brazauskas] It is normal for the press to control authorities' actions. However, each state has some secrets. I am not making a tragedy of this issue, but we should look untroubled, and we should not go too far. Criticism is permissible, but it should not be insulting.

[Grineviciute] Did RESPUBLIKA insult you?

[Brazauskas] I do not remember, because you have written so much about me....

Landsbergis Warns Against Concessions to Russia

LD1407093893 Vilnius Radio Vilnius Network in Lithuanian 0500 GMT 14 Jul 93

[Press review presented by Juozas Salkauskas]

[Text] Against the background of many kinds of tensions, one would like to avoid one more tension or, rather, a political crisis which could arise as a result of parallel secret negotiations with Russia, which surfaced recently.

Officially, we have a state delegation with all the plenipotentiary powers to conduct the negotiations. However, the delegation was surprised recently when members heard about the delight of Russian representatives over Lithuania's allegedly changed position on some essential issues.

Our delegation appealed against it, saying that the delegation had not changed its stance. Following this, it became clear that unknown but very important concessions are being made to Russia by the people surrounding the Lithuanian president, Vytautas Landsbergis writes in the daily LIETUVOS AIDAS.

I hope, as does the entire Conservative Party of Lithuania, that the president of Lithuania will share his ideas

and his intentions with the Lithuanian state delegation and the main political parties and that he will not proceed along a path laid by one party or small group.

If the president proceeds in the direction suspiciously proposed and encouraged by somebody else, then tension and mistrust in Lithuania will grow. And on the eve of the pullout of Russian troops from Lithuania, such tension is exactly what we do not need here in Lithuania, Vytautas Landsbergis concluded in the article "What Increases Tension," published by the daily LIETUVOS AIDAS.

Russia's 'Aggressive Policy' Toward Baltics Noted

WS1307141193 Vilnius RESPUBLIKA in Lithuanian 30 Jun 93 No. 124 p 4

[Editorial under the "Editorial Column" rubric: "Partition of the World: It Is Difficult To Be Small"]

[Text] It seems that...Iraq is the closest country to the Baltic states.

When in January 1991, Americans were raging with their "Desert Storm" in Kuwait and Iraq, blood was being shed in Vilnius and Riga. The U.S. reaction to the latter events was loud but ineffective. "We need Gorbachev," explained U.S. President G. Bush to his closest aides then.

When in June 1993, U.S. warships launched missiles at Baghdad, Russia broke out into threats against Estonia and Latvia. On 28 June, the extraordinary session of the Narva City Council adopted a decision to hold a referendum on 16-17 July in which the inhabitants will have to answer the question: "Would you like Narva to have the status of ethnic and territorial autonomy within the framework of the Republic of Estonia?" If the people's response is positive, the council intends to announce that same day new elections to the local self-government with the participation of both Estonian nationals and noncitizens.

The Estonian option is almost identical with the one in the Dniestr region. The latter one was associated with a federation in Moldova. Later, that part could be separated from Moldova and annexed to the USSR. Thus, a referendum in Narva can be the first step toward separating Estonia's northwestern industrial area from the Republic. Unfortunately, this thought is confirmed by the categorical appeals that the City Council has issued to the Estonian president, the prime minister, and the legislature.

Meanwhile, having caused a turmoil in one Baltic state, Moscow's politicians have turned to another one. President B. Yeltsin has stated that the "protection of Russians' lawful interests and rights in Latvia, like in other countries, is a priority of Russia's foreign policy." He sent such a statement to the Latvian Human Rights Protection Committee.

Thus far, the world has not reacted to Russia's increasingly aggressive policy toward the Baltics. All eyes are set on Iraq and Bosnia. The United States is also silent. Certainly, it would be difficult to imagine B. Clinton attack Russian President B. Yeltsin after the assault on Baghdad. The parliamentary opposition in Moscow is not very favorable toward the U.S. policy in the Near East.

The world is again divided into zones of influence. I help you, and you help me. I do not see what you are doing in one place, and you do not see what I am doing somewhere else.

Secrecy Surrounding Defense Ministry Work Criticized

WS1307141393 Vilnius RESPUBLIKA in Lithuanian 30 Jun 93 No. 124 p 4

[Editorial under the "Editorial Column" rubric: "When Two Fight, the Third Wins"]

[Text] In an interview broadcast on "Radio Free Europe" on 28 June, National Defense Minister A. Butkevicius said that he would resign if the principle of democratic control over the defense system was not observed, because he was compelled to renounce his stand on the country's domestic policy. The minister seems to have proven his stand after surviving five governments and pressure from the ruling forces and the opposition. After such a school of politics, he may have come to believe that he is irreplaceable. However, we doubt whether A. Butkevicius himself adheres to the principle that the Army should be controlled democratically. Thus far, all attempts to question the efficiency or soundness of the work of the National Defense Ministry or the minister himself have been simply rejected. The criticism about the "interior staff policy" at the National Defense Ministry, the inability to organize the draft properly, and the speculations about why the ministry has enough funds to purchase some pontoon bridge but is short of funds for soldiers' uniforms and boots, do not evoke any response. The rule observed by the Soviet military organizations continues to prevail. The Soviet military used to carefully hide its "state secrets" about new generals' villas from the public and to declare any criticism as damaging to state interests.

The pampered first-born of the young independent state—its sovereign defense system—grew up quickly and began to demonstrate the whims of an only child. It is enough to look at the claims of the National Defense Ministry to seize as much property left by the Soviet Army as possible. Miserable protests and arguments from self-governments pale by the side of demands of the growing organism.

The situation is complicated by the fact that any attempt by the government or law enforcement bodies to control the activities of the National Defense Ministry is immediately presented as political suppression. The statement by the chairman of the Seimas Sajudis faction that the

replacement of the minister may bring out forces that would destabilize the situation in the country seems to be too strong, if we recall the recent laments by the opposition that A. Butkevicius has abandoned the volunteer forces. Such a friction between the opponents is advantageous to the minister. Until the public searches for any political implications of this criticism, he can be sure that it will have no desire or time to explore what is happening in reality.

U.S. Firm To Replace Chernobyl-Type Reactors

LD1307221393 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 13 Jul 93

[Text] The U.S. firm Westinghouse Electric Corporation proposes to replace the present high-pressure tube reactors of the Chernobyl type at the Ignalina nuclear power station with modern and safe U.S. reactors.

Saulius Kutas, the Lithuanian deputy minister of power engineering, says that the new 600-megawatt reactor that is being produced at present by that corporation will be safe and comparatively cheap. At current prices, the assembly of one such reactor would cost about $100 million. Saulius Kutas says that the present reactors at the Ignalina power station could safely operate for another 10 to 15 years, and then new reactors made in the United States could be assembled.

Landsbergis Predicts New Election Campaign

WS1407093093 Vilnius LIETUVOS AIDAS in Lithuanian 26 Jun 93 No. 122 p 6

[Article by opposition leader Vytautas Landsbergis under the "Opposition Leader's Column" rubric: "The Pendulum"]

[Text] Recently, the activities of our political parties have become noticeably more dynamic. It seemed at the beginning that the establishment of the Homeland Union forced some parties to brace themselves and to stir up trouble: Some new parties have appeared, and we will never know what will come of them. Do not pay any attention to the post-moderates, post-communists, or some post-Sajudis Homeland Union. They may say that these changes are insignificant. However, this maneuver was unsuccessful. The TS [Homeland Union] is powerful, and its strength is continuing to grow. It will pose much trouble to the ruling forces. The moral defeat of the current authorities in the by-elections in Kaisiadorys—a former LDDP [Lithuanian Democratic Labor Party] stronghold—and the fierce attacks in TIESA and other media prove this. However, this fuss has some other regularities and efforts that clearly reflect the approaching elections.

As before the Seimas elections, the political left does not want to be the left. According to the European tradition, the left includes communists, socialists, and social democrats. We could hear some very interesting and almost ridiculous opinions from the LDDP leaders even before the Seimas elections, saying that they are not leftists but centrists. Later, there were some other moves to separate the leftists, the true communists, from the LDDP in order to make the modified LKP [Lithuanian Communist Party]/LDDP look more moderate, as though it had shifted toward the center. Certainly, one can no longer deceive anyone by changing names or by isolation maneuvers. The LDDP's behavior in the Seimas, when it cannot suppress its autocratic temptations and violates all possible statutes and legal norms, shows that these are the same communists who do not have any bourgeois feeling of embarrassment. Any obvious violation in the Seimas work is presented as a mere disagreement or a disputable question that is "resolved" through voting and loud mockery of the opposition's arguments. They can vote that snow is black, and the "opinion" that it can be white, which the people's representatives did not approve, will belong to the opposition alone. The moral left wing is a definite extreme, and it will stay there. However, we see numerous attempts to confuse things, as well as a lot of people eager to be in the center. That is why the leftists are persistently calling the Homeland Union the "right-wing opposition", to say nothing of the names of utmost radicals or extreme rightists, although the key forces of this coalition are conservatives and Christian democrats who are not rated as extremists anywhere in the world, but who are substantial and firmly moderate. This is a pure preelection propaganda.

Why are they doing this? The alleged "right-wing" opposition must create a picture that there might be some other, left-wing, oppositions. However, the scanty leftist Seimas factions have actually always voted with the LDDP, as its loyal satellites. They do not want to vote with the TS, which is the true coalitional opposition in the Seimas and which makes up more than one-third despite the three unconstitutionally withdrawn mandates.

After the leftists have approved the nationalization of housing and land, the social democrats demonstrate their disagreement with the LDDP now and then. They may feel uneasy about the impudent appropriation of state property conducted by the LDDP. Moreover, the social democrats must think about the new elections in which the LDDP and its satellites may suffer a miserable fate. That is why it is not worth being a satellite.

The small leftist and centrist parties expect their victory, as they did before the previous Seimas elections. Some newspapers are readily assisting them in paving the way for this. There is a great desire to put the sign of equality between the LDDP and the TS, between the Seimas majority and the opposition, and to show that all of them were bad once. Everyone sees what the LDDP, which promised a lot, has done in half a year. However, one seems to forget the promises of Sajudis and of the parties that originated from it to lead Lithuania to independence and the accomplished deeds, because these promises were fulfilled. That is why no one remembers this in some centrist newspapers.

Such trends or tactics are obvious, and they are sometimes stressed openly. Let us take the last issue of ATGIMIMAS. Being concerned with their place, the social democrats emphasize that the current so-called left-wing majority "is successfully continuing the policy of the 'rightists.'" We all saw how that policy changed suddenly and painfully after the Seimas elections. However, the social democrats speak in a manner that is more convenient to them. The ATGIMIMAS editorial notes repeatedly that the ruling force and the opposition have become so "unanimous" that they allegedly discuss in the Seimas "how to expropriate" farmers or small businessmen. Who needs this untruth when heated parliamentary strife is continuing between those who wish to appropriate poor farmers or those people who want to regain land and those who defend an individual's right to his or his parents' land? Meanwhile, the social democrats note "a unanimous desire to expropriate." Why all this fraud? Certainly, it is necessary to make both the LDDP and the opposition look equally bad. Furthermore, someone, some force or forces, two men, one minister or another who decided to recall the ambassador from Washington and became a laughingstock, are being criticized. This really happened, but this does not mean a war between "the ruling force and the opposition" in which both sides become an object of ridicule, as the ATGIMIMAS editorial puts it. This is a ridicule of one side, but ATGIMIMAS needs to confuse things.

This is not the interest of the small leftist or quasi-centrist groups alone. This is also the LDDP's interest—to create an opposition to the current real opposition in the Seimas and outside it. They want a split, another influential opposition. Then the leftists who wish to shift toward the "center" would have a place for some forces not belonging to the LDDP. If the LDDP feels like losing power or approaching such a situation, it would be convenient to have some indefinite medium into which it could interfere and create some new left-wing majority, even under another name, and to continue ruling from it.

We often speak about a political pendulum. It was to the right once. However, life troubles, failures in solving certain reform issues, and many other reasons pushed it to the left—the LDDP won the elections. The LDDP enjoys absolute power at all government levels, but it is totally unable to cope with its tasks. The pendulum will definitely swing back. This may happen very soon, even in less than four years. What must be done to prevent it from moving to the right? The greatest desire and concern of the left is to make the pendulum stop in the middle. This is not the case in physics. It is also very difficult to achieve this in politics. This is particularly hard since the last elections in Lithuania demonstrated that such calculations—to berate both the communists and Sajudis hoping that the people will vote for some indefinite centrists—proved wrong. Attacks on the right wing and the splitting of votes contributed to the LDDP's victory. Some people made the same mistake during the presidential elections. That is why those who again expect that assaults on the rightists and attempts to compare them with the current authorities can bring a victory, should ponder over this. Ill-considered damage may again be inflicted on Lithuanian democracy and hard and delayed changes for the better.

Landsbergis Discusses Situation With Newspaper Staff

WS1307141693 Vilnius LIETUVOS AIDAS in Lithuanian 29 Jun 93 No. 123 P 6

[Article by correspondent Lina Peceliuniene; under the "Politics" rubric: "An Honorable Guest at the LIETUVOS AIDAS Editorial Office"]

[Text] Opposition leader V. Landsbergis paid a visit to the LIETUVOS AIDAS editorial office. Analyzing the Seimas work, he drew the conclusion that the LDDP [Lithuanian Democratic Labor Party] may stay in power its full term. This will depend on the people's patience. Thus far, inhabitants have been inactive and overpowered by political depression. The adopted Seimas statute will not allow a split in the LDDP faction, although today about 10 LDDP members usually leave the hall during voting. They are embarrassed to adopt absurd laws. Article 137 of the statute authorizes all newspapers to publish a "correct" report on the Seimas work approved by Jursenas alongside their own "incorrect" descriptions. "I wonder whether they will make an exception for foreign publications?" the guest joked.

V. Landsbergis recalled an unprecedented vote when the LDDP and the social democrats voted against the government-approved law on indexing the property of enterprises. "The LDDP voted against its government. The desire to privatize the state property at a low cost conquers everything." The opposition leader reprimanded LIETUVOS AIDAS for devoting too little attention to this fact. He recommended that the journalists study how many times the Interior Ministry Department for Combating Organized Crime was reorganized, why it was disbanded, and who accomplished this. Reporters should watch the situation in Siauliai more closely. "Siauliai is becoming an interesting town. It is also the birthplace of the interior minister." Journalists should also consider the possibility that the story about beryllium may have been an attempt to discredit the Stock Innovation Bank.

V. Landsbergis thinks that the LDDP will prepare space for some "quasi center" by the end of its term. The left-wing intelligentsia is not numerous. It has no people. During the early days of the Supreme Council, Beriozovas said that a center that is "not necessarily managed by the LKP [Lithuanian Communist Party]" had to emerge. The social democrats in the Seimas are only concerned with "scoring gains."

The place of businessmen in Lithuania's life was also discussed at the meeting. The LIETUVOS AIDAS readers (the majority are idealists) often have some difficulty in understanding businessmen's principles and their concern for wealth alone rather than for the state. "We should explain to the readers that there are decent businessmen as well. They should not be leftists according to their views," said V. Landsbergis. True, we see KGB and KP [Communist Party] nomenklatura become well-known businessmen. It would be interesting to disclose the secret to whom they are paying dividends for the original capital.

The journalists discussed the situation that those who have money will begin to make politics.

As usual, V. Landsbergis appeared as an idealist who believes in democracy and human decency.